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China Report

ECONOMIC AFFAIRS



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11 May 1984

CHINA REPORT

ECONOMIC AFFAIRS

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NATIONAL POLICY AND ISSUES

YUAN BAOHUA ON NATIONAL 'SAFETY MONTH' ACTIVITIES

OW021343 Beijing XINHUA Domestic Service in Chinese 1433 GMT 30 Mar 84

[Article by reporter Song Xiaonan]

[Excerpts] Beijing, 30 Mar (XINHUA)--The slogan for the fifth national "Safety Month" activities, to be held in May this year, has been finalized. It is: Foster the thinking of safety first, put prevention first, strengthen one's sense of responsibility, consolidate the legal system, insure safe and civilized production, and improve economic results. This slogan was put forward at the meeting held today in Beijing by the leading group for the fifth national "Safety Month" activities. The meeting discussed various matters on the development of "Safety Month" activities. Yuan Baoyuan, deputy director of the leading group delivered a speech. He said: Some cadres and workers have not fostered the thinking of safety first, even now. The results are quite different, whether or not we pay attention to work safety. We obtained good results from 1980 to 1982, because we paid great attention to work safety. The situation was not so good in 1983, when we relaxed our efforts in safety work. As a result, the number of accidents and deaths increased in some areas and production departments. Economic results and the safety-first policy are closely related. Without safe production, it is impossible to steadily raise economic efficiency.

The leading group of the fifth national "Safety Month" activities is composed of Director Zhang Jingfu and Deputy Directors Yuan Baohua, He Guang and Wang Chonglun, as well as members who are responsible persons of the nine ministries concerned under the State Council.

Those comrades attending the meeting today stressed the need to carry out this year's "Safety Month" activities well. They said: Attention must be paid to linking "Safety Month" activities with day-to-day safety work, and achieving the goal of making "Safety Month" activities promote safety throughout the year. The problems, which have cropped up in the course of carrying out "Safety Month" activities, should be included in the annual plan, if such problems cannot be solved in the month of May, when this year's "Safety Month" activities take place. A time limit must be set to solve these problems. In short, it is necessary to increase production, reduce the number of accidents, and promote socialist material and spiritual civilization to greet the 35th anniversary of the People's Republic of China.

CSO: 4006/480

ECONOMIC PLANNING

DEVELOPMENT OF NORTHEAST INDUSTRIAL BASE ENCOURAGED

Strategies Suggested

Shenyang LIAONING RIBAO in Chinese 19 Jan 84 p 3

/Article by Chen Yue, director of the State Council Office of Energy and Transportation Planning for Northeast China: "The Role of the Industrial Base in Northeast China Should Be Fully Developed"

/Text How to develop further the role of the old industrial base in northeast China in order to make greater contributions to the four modernizations is a fundamental problem which needs to be resolved by China's northeast economic region. It is also the most important aim of our research into a social and economic development strategy for the northeast area. Therefore, we must firmly grasp the urgent resolution of a few problems that are currently facing us.

1. We must research a strategy that will give full play to the superiority of the heavy industry of the northeast.

The special characteristic of the northeast region is its abundance of heavy industry, and there should be new breakthroughs in this area. If we bring into full play the superiority of heavy industry, we will be able to develop vigorously the entire people's economy and make even greater contributions to the whole nation's four modernizations. At the same time, we should still note that the equipment of many heavy industrial departments is old and outdated. Their energy consumption is high, their quality of product is poor and they lack the ability to compete both domestically and internationally. In order to give full play to the superiority of heavy industry, we must study strategic measures to readjust further the service orientation of heavy industry and restructure its product composition. We should study how to make use of casting, rolling and other continuous production technology and how to do a good job in the second, third and fourth stages of processing, in order to facilitate a gradual shift from primary reliance on rolled products to primary reliance on "fine, small and sheet" product structures. As the technology and equipment centers of the peoples' economy, the machine-building and electronics industries should study how to develop the precision, service life and efficiency of product performance in the direction of high rates of precision, efficiency, reliability and functionality, low energy consumption and automatic control. The petrochemical industry should study how to raise the depth and precision

of processing, do a good job in its comprehensive utilization of resources, enthusiastically develop the three main synthetic materials and raise the proportion of fine-processed products. The building material industry should study how to implement current pit furnace technology and should develop its implementation of programs and measures to expand the use of new kinds of building materials. In addition, we should also study how to utilize fully the superiority of the heavy industry of the northeast region, strategies to support and develop the concrete light industrial special characteristics of the northeast and so on.

2. We must study how to advance technology further and to speed up our work on strategic objectives and strategic measures for the technological transformation of existing enterprises.

The key to giving full play to the role of the old industrial base is to do a good job in the technological transformation of existing enterprises by quickly transforming existing enterprises into an advanced industrial base. This is a prerequisite which will determine whether the role of the northeast industrial base can be fully developed. The essence of quadrupling the value of output by the end of this century is the problem of realizing scientific and technological modernization. At present, most of the technological equipment of the majority of enterprises in the northeast is old and obsolete. Only 10 percent of it is at a level reached by the 1970's. Most of it is equipment from the 1950's and 1960's, yet there is also still a great deal of equipment that has been kept in use since the 1930's and 1940's, and it is far from what is needed for the four modernizations. Since the 1960's, over 60 percent of the speed of development of the people's economies of the advanced countries has been achieved through reliance on technological advancement. We should effect a basic transformation in our guiding ideology, and must carry out research on the important strategic questions with respect to our dependence on technological advancement and on the ways to do a good job in the technological transformation of our enterprises. At present, advances in the world's science and technology are being made every day. The world's new technological revolution is now unfolding. We should follow closely along on this tide of development and, by bringing in and assimilating overseas advance technology, gradually apply the science and technology that have already been commonly used throughout the advanced industrialized countries during the late 1970's and early 1980's to our enterprises and our products. For example, we should enthusiastically adopt the use of electronic computers, lasers, fiber optics, newly developed materials (cermets (ceramic metals), composite materials, ultrastatic metals) and so on. We should seek especially to make a breakthrough in expanding our application of microcomputers, because microcomputers will play an important role in transforming production technology and product performance and in implementing the scientific management of old enterprises.

3. We should research development strategies for developing new products and updating old ones.

The industrial product structure of the whole region is very irrational, and situations of the "three many's" (many primary products, many old products and many popular goods of dependable quality), of the "three fews" (few well-made

products, few new products and few high- or medium-grade products) and of having one system in existence for decades are all fairly common. For example, in Liaoning's machinery industry over half of the products are old products of the 1950's, and only 10 percent of the products are of the 1970's. If this situation is not changed, our strategic task of quadrupling China's gross value of agricultural and industrial output will fail. Therefore, we must research development strategies and measures for updating and transforming all of our products. If we integrate our machine products with electronic technology, we will be going a long way toward solving our problems concerning automatic control and numerical indicators when installing microcomputers. This is also the case with other products. Through upgrading, the added value of a product can be raised by a substantial amount. Both light industrial products and heavy industrial products have their own upgrading problems. We should conscientiously study the experiences of Shanghai and other advanced areas, and every enterprise should fulfill the principle of "produce one product generation, manufacture one generation and develop one generation." It is hoped that the relevant institutions of higher education and the scientific research units will become closely integrated with the industrial and mining enterprises to create a new situation in adopting new technologies and in advancing the upgrading of products.

4. We should research development strategies for opening up new industries and new fields.

Many new industries and fields--biotechnology, information technology, new energy resource development and new material development--are currently appearing all over the world. We should develop our own new industries and new fields and our strategic research in accordance with the rising tide of economic and technological developments occurring overseas. For example, in Yanhai and in cities whose scientific and technological forces are relatively strong, we should develop these newly-emerging, knowledge-intensive and technology-intensive industries. There are many natural resource industries in the northeast region, and the comprehensive utilization of resources by the petroleum processing, steel building material, timber and agricultural sideline product processing industries is quite extensive. The study of how to make use of the superiority of those resources, develop new series of products and open up newly developing industries must be made a strategic priority and must be intensified.

5. We must research strategic measures aimed at industrial reorganization and integration.

The industries of the northeast region are parts of an organic whole. They are all internally related, each possessing a part of the others and each being a part of all the others. Therefore, relying on the central cities and breaking through regional barriers in order to organize enterprises in accordance with the principle of specialized cooperation, forming a rational economic network and consequently realizing socialist production are essential in facilitating the modernization of our enterprises and the rationalization of our organizational structure. The technological transformation of the northeast region must also be based on the reorganization of industries and the realization of socialist specialized production. By now, there has been a vast increase in

the number of highly specialized small enterprises in the advanced industrialized countries because small enterprises contribute to technological advancement and production by specialized units. Only if we follow along this course will we be able to put an end to the corrupt practice of believing that "big is everything" or that "small is everything," of duplicating the construction of factories and of blindly producing. Only then will we be able to improve socialist economic results and more fully develop the role of old industrial bases. It is hoped that each province will proceed from the basis of what is in the overall interest, will organize its strengths and will study measures and steps that can be taken toward joint industrial reorganization. In accordance with the principle of "unified planning, selection of proper development strategies, economic unity and a stable organizational system" we should, through "mutual consultation touching upon the interests of all," try to do a good job in carrying out the joint reorganization of this province and of the interprovincial areas.

Developing Latent Potential

Shenyang LIAONING RIBAO in Chinese 19 Jan 84 p 3

[Article by Guo Feng: "The Old Industrial Bases Should Be Rejuvenated"]

[Text] In 1983 Liaoning Province made three breakthroughs. The first breakthrough was that there were improvements in the entire agricultural economy, with grain output topping 28 billion jin and exceeding the targets laid out in the Sixth 5-Year Plan. The second breakthrough was that the gross value of industrial output topped 50 billion yuan, with relatively large increases in light industry and collective industries both in the cities and in the countryside. The proportional development of light and heavy industry was relatively well-coordinated, and is becoming more and more rational. The third breakthrough was that the province turned around a situation in which financial revenues had fluctuated but had not really increased much in 3 consecutive years, with very large increases over last year. Consequently, 1983 was a year in which Liaoning Province was completely victorious on the economic front. Compared to the situation in existence for the past few years, it is clear that we have begun to create a new situation in the economic construction of Liaoning Province.

Liaoning was the first industrial base established in China. It also is currently the largest industrial base. At present this old industrial base is facing the challenge of a new situation in economic and technological development both at home and abroad. It should quickly overcome its aged characteristics and instead call forth all its vigor, and should strive to modernize as quickly as possible in order to make new contributions to the entire country's modernization, the first key to which is to overcome the "aging" of our guiding ideology. We should continue to free ourselves from old ideas and take further steps to eliminate "leftist" influences and the fetters of outmoded models and ways of doing things. We should work hard to develop the prosperity of our country, have the courage to reform, be bold in making innovations and open up the way toward new advances. In addition, we should make great effort to resolve the following three contradictions currently existing in Liaoning's economic development.

1. We should concentrate our strength on resolving the contradictions of obsolete technology, an irrational product structure and development trends. The keys to calling forth the vigor of Liaoning's old industrial base are technological advancement and technological transformation. Liaoning currently has more than 17,000 enterprises, of which more than 400 are large enterprises. All of them have problems of "aging" technology. Consequently, we should concentrate all of our energy on technological transformation, making use of all kinds of new science and technology to equip the enterprises and to transform "aging" into reinvigoration and modernization. In particular, we should speed up the technological transformation and the upgrading of products in heavy industrial areas such as Chenyang, Anshan, Fushun, Benxi, Liaoyang and Tieling and gradually develop the formation of China's new technology-intensive heavy industrial bases. The key to this aspect of striving even harder to develop and advance the implementation of policies with respect to intellectuals is to give full play to the role of scientific and technological personnel and intellectuals.

We should fully develop the role of port cities such as Dalian, Yingkou, Dandong and Hinzhou. Other coastal areas facing the Pacific and the rest of China, especially those areas from which one must pass through Dailian to the coast, should work hard to develop economic and technological contacts with foreigners. They should have a free hand in importing advanced technology and should promote the technological advancement and technological transformation of the entire province.

2. We should give full play to subjective initiative and, under state guidance, resolve the contradictions between insufficient energy supplies and full development of production potential. With respect to energy resources, we should strive to develop Liaoning's local resources. Ever since the transport of coal from Shanhaiguan was increased, social results have been much improved. We must also hurry up and get started on a nuclear plant and should also vigorously promote conservation. The current energy utilization ratio of coal is still only 28 percent. If it is increased to 50 percent, the situation will become vastly different. At the same time, we should diversify our energy resources, and the state and the collectives should manage them jointly. In particular, we should work even harder to develop small-scale thermal power and hydropower, methane, wind power and solar power in the small and medium-size towns, cities and villages.

3. We must work hard in our free time to resolve the contradiction between backward management and the improvement of economic results. This should be resolved primarily through the readjustment and consolidation of enterprises, improving the quality of enterprises and promoting modern scientific management methods.

Looking back on the process of construction of the heavy industrial bases over the past 30 years, there is one penetrating lesson to be learned, and that is that we should properly understand and abide by the laws concerning the economic development of heavy industrial bases. The heavy industrial base of Liaoning is an organic whole; it is composed mainly of heavy industry, which is flanked by both light industry and collective enterprises. Its foundation is agricultural, and it is an organic, unified system combining science and technology

with production that is supported by the large and medium-size cities. If we concentrate solely on developing heavy industry and neglect the development of agriculture and light industry and the strengthening of construction of public facilities, we are bound to be "dancing without a partner": food and clothing supplies will be tight, the people will be dissatisfied and, in the final analysis, there will be no increase in production. This situation has just begun to change in the past few years. This is certainly not to say that each province should have its own system, but that proceeding from the needs of the entire nation, and under the premise of a unified state plan, it is absolutely essential to guarantee an appropriate balance in the internal economic development of the heavy industrial bases. The practical experience of the past few years proves that the adoption of these principles conforms to economic laws and benefits the overall situation.

There are many large and medium-size cities in Liaoning. Of the 12 cities there, 10 of them have implemented systems in which the cities manage the counties. This is reflected in objectives laws for the cities to guide the villages, for the integration of the cities and the countryside and for the economic and cultural development of the cities and the countryside to proceed hand in hand. For this reason, we should develop the role of central cities and create a rational economic network. Emphasizing the full development of the role of central cities does not require that everything be transformed into a system of ownership by the central cities. But in light of the present situation, we must properly understand and resolve the new contradictions appearing between the state management of enterprises on an industry-by-industry basis and the development of the role of central cities. This is a problem in the current restructuring of the economic system that is in urgent need of resolution.

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ECONOMIC PLANNING

YUNNAN RADIO COMMENTS ON ECONOMIC CONFERENCE

HK230645 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 22 Apr 84

[Station commentary: "A Pioneering Work in Economic Reform"]

[Excerpts] The economic coordination conference of Sichuan, Yunnan, Guizhou, Guangxi, and Chongqing recently held its successful first meeting. Based on the principle of equality and mutual benefit, this meeting broke down regional boundaries and achieved initial and gratifying results in economic coordination.

If we can take full advantage of our superior features in manpower and resources and gradually develop the region, we will be able to transform our poverty and backwardness relatively rapidly. We have done quite a lot of work and gained a certain degree of success in recent years. However, as a leading central comrade pointed out: One of the greatest defects in China's original economic setup is separation of region from region. Under these circumstances, rational economic flows are blocked, and rational economic zones are wrecked. As a result it is impossible to do some things that could have been done.

For instance, there are rich coal and phosphate resources in the northeastern part of Yunnan. Moreover the quality is good and exploitation is easy. Not much investment would be needed to turn out products. However, due to poor communications, it is very difficult to ship the products to the other parts of the province. This means that, due to the constraints of regional separation, exploitation of these resources will not be very significant for this province, so they have had to be left alone.

Yunnan has now reached a decision of intent with Sichuan and Chongqing on working together to exploit the Chang Jiang and Jinsha Jiang waterways and to combine this with exploiting the resources in the area. In this way, the phosphate and coal of northeastern Yunnan can be shipped to east and north China via the Jinsha Jiang and Chang Jiang, to support industrial and agricultural production; and other materials can be shipped in by the same route to support Yunnan's economic construction.

It is evident from this that breaking down regional boundaries and strengthening crosswise liaison on the basis of equality and mutual benefit is a reform of the existing economic management setup.

ECONOMIC PLANNING

GUIZHOU RADIO ON SOUTHWEST ECONOMIC MEETING

HK210314 Guiyang Guizhou Provincial Service in Mandarin 1230 GMT 19 Apr 84

[Station commentary: "Step Up Cooperation, Promote Development"]

[Excerpts] Spurred by the leading central comrade, Sichuan, Yunnan, Guizhou, Guangxi, and Chongqing have held the first meeting of their economic coordination conference. Based on the principle of voluntariness and mutual benefit, the participants exchanged information and views on exploiting the resources of the southwest and Guangxi and actively promoting economic and technological cooperation. A number of agreements were reached. This was a major affair in the economic activities of the three provinces, one autonomous region, and one city, and also a new thing with great prospects in China's economic construction.

In order to accomplish the general line and goal put forward by the 12th Party Congress and enable the 200 million people of these places to get rich as soon as possible, there is an urgent demand among everyone to transform the backwardness as quickly as possible and narrow the gap between us and the coastal and advanced areas. This lays the foundation for promoting economic coordination in the three provinces, one autonomous region, and one city.

Cooperation is a principle of socialist economy. We also advocate competition in order to enliven the economy, but this is competition under socialist conditions. We must support and spur each other, and must not engage in mutual blockades and impositions. By practicing cooperation on the basis of equality and mutual benefit, we can act according to the principle of taking advantage of our strong points and avoiding the weak ones and bringing our superior features into play, and base our work on the actual conditions in three provinces, one autonomous region, and one city in exploring and studying how to break through regional and departmental boundaries in production, circulation, science and technology, talent, and so on.

To do a good job of construction in the southwest and Guangxi, we must rely first on central support and second on our own efforts; and the latter is the more important. We must therefore stand a bit higher, see a bit farther, think things out a bit more broadly, and act with a bit more practicality. Proceeding from the base point of helping to promote common development of

the economy in the three provinces, one autonomous region, and one city and to make greater contributions to the motherland's four modernizations, we must step up cooperation, stimulate development, and, after 15 to 20 years, build the entire southwest and Guangxi into a modern base that can exist independently and also support construction in the whole country.

CSO: 4006/480

AGGREGATE ECONOMIC DATA

GUANGDONG INDUSTRY RECORDS FIRST QUARTER INCREASES

HK161302 Guangzhou NANFANG LJBABO in Chinese 9 Apr 84 p 1

[Report by contributing correspondent: "An Encouraging Situation Emerges in Guangdong Industry in First Quarter"]

[Text] The province's industrial production in the first quarter had developed in a steady and overall manner, and thus an encouraging situation has emerged in this respect.

According to the investigation and statistics by the provincial statistics bureau, the characteristics of industrial production in the first quarter were as follows: 1) There was a relatively big increase in the province's industrial production and all production tasks were fulfilled in quite satisfactory way. The province's total industrial output value was 7.957 billion yuan, fulfilling 25.03 percent of the annual plan, or showing an increase of 9.92 percent over the figure for the same period last year. The fact that more than one-fourth of the annual plan was completed in the first quarter has seldom been seen in the past. 2) There was an overall increase in industrial production. The 14 cities and prefectures all over the province showed increases and the enterprises with a system of ownership by the whole people and under the collective ownership system and other types of enterprises also showed synchronous increases. Shenzhen City registered the biggest increase in industrial production, with production growth at [figure indistinct] percent, and the Hainan administrative district and Zhanjiang and Zhuhai cities were next, showing an increase of over 20 percent each. 3) There was a relatively coordinated development in light and heavy industries. The output value of light industrial production was 5.419 billion yuan, or an increase of 10.6 percent, and that of heavy industrial production totaled 2.538 billion yuan, or an 8.51 increase. 4) The production tasks for major products were fulfilled in a relatively satisfactory way. According to the statistics of 63 products examined by the province, 42 products showed increases when compared with production in the same period last year, and the increases in such marketable products as sewing machines, television sets, and household refrigerators ranged from 200 to 800 percent; the increase in chemical fibers was at least 500 percent; raw coal, in which supply felt short of demand, saw a 10.2-percent increase; pig iron was 54.7 percent; and increases in steel and finished steel products were 18.6 percent.

AGGREGATE ECONOMIC DATA

BRIEFS

YUNNAN INDUSTRIAL PRODUCTION--Yunnan Province's gross industrial output value in the first quarter of this year was 2.376 billion yuan, an increase of 13.6 percent over the same period last year, a record. The profits made by the industrial enterprises were over 110 million yuan, an increase of 27.3 percent over the corresponding period last year. The taxes and profits submitted by the industrial enterprises to the state in this period were some 53 million yuan, 54.7 percent more than in the same period last year. The amount of losses incurred by the enterprises incurring losses in the first quarter was reduced by 7.8 million yuan, or 27.3 percent. Output of chemical fertilizers in the first quarter was 34.8 percent more than in the same period last year. Output of hand-held tractors increased by 44.2 percent. Output of television sets, washing machines, cigarettes, detergent, and bicycles greatly increased. [Summary] [Kunming Yunnan Provincial Service in Mandarin 2300 GMT 10 Apr 84 HK]

QINGHAI INDUSTRIAL PRODUCTION INCREASES--Qinghai Province's gross industrial output value in the first quarter of this year was 314.17 million yuan, an increase of 12.1 percent over the same period last year. Production of rolled steel, raw coal, caustic soda, chemical fertilizers, motor vehicles, hand-held tractors, woolen cloth, and leather shoes and electricity output greatly increased. [Summary] [Xining Qinghai Provincial Service in Mandarin 1100 GMT 6 Apr 84 HK]

XINJIANG INDUSTRIAL PRODUCTION INCREASES--Xinjiang Region's gross industrial output value by the end of March amounted to over 1.19 billion yuan, an increase of 7.74 percent over the same period last year and 22.77 percent of the annual production quota. Output of television sets, motors, woolen goods, bulbs, chemical fertilizers, plastic products, hand-held tractors, combines, and kerosene increased. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 11 Apr 84 HK]

CSO: 4006/467

ECONOMIC MANAGEMENT

JIANGSU TOWNSHIP REFORMS ECONOMIC MANAGEMENT

HK171353 Beijing RENMIN RIBAO in Chinese 13 Apr 84 p 1

[Article by reporter Yan Shigui [0917 0013 6311]: "Yanqiao Township in Jiangsu's Wuxi County Comprehensively Reforms Economic Management of Enterprises"]

[Text] Wuxi, 12 Apr--Yanqiao Township in Jiangsu's Wuxi County which is situated on the bank of the Tai Hu, has carried out a series of bold and resolute comprehensive reforms in the economic management system of its enterprises and implemented the all-round economic responsibility system, cadre recruitment system, the system of employing workers by contracts and the system of floating wages. As a result, marked achievements have been scored there. Compared with 1982, the township increased its gross industrial and agricultural output value by 74 percent and the per capita income in the township rose by 504 yuan, or more than 100 percent. (Income from individual undertakings is included in the calculation.)

Yanqiao Township implemented the all-round economic responsibility system in an all-round manner 1 year ago. The all-round responsibility system was first set up in agriculture and then extended to sideline undertakings, industry, communications, construction, commerce and other undertakings. Those who have been assigned all-round responsibility shoulder all the economic responsibility for the enterprises assigned to them, have the power to direct all the economic work in their enterprises, and are authorized to make decisions on the distribution of the extra-quota profits within the scope allowed by the contracts, to transfer the jobs or personnel, and to adopt alternative measures for the administration and management and measures of technological transformation in their enterprises. The income of the staff and workers varies as the results of their fulfillment of the targets of the all-round responsibility contracts vary.

An initial reform has also been carried out in the personnel and wage systems in these enterprises. The cadres of all economic entities in the township are now employed in accordance with a system of appointing cadres by contracts which has replaced the previous system of appointment cadres by the upper level. As a result, those who are competent in administration and management, familiar with their profession, and able to open up new prospects have been selected and appointed to leading posts. The township economic

union nominates the candidates for manager and the township CPC committee will examine and approve the appointment of these candidates. The assistant managers and other cadres are nominated by the managers and examined and approved by the township economic union, thus these managers are empowered to form the leading groups of their companies. The same method is adopted in forming the leading groups in the enterprises under these companies. The duration of the contracts of employment is 1 year, but they can be renewed. However, all those who fail to fulfill all-round responsibility contracts will be dismissed. All the workers in the factories are employed by an employment contract system which substitutes for the system of recruiting workers once for all. This has eliminated the system of "iron bowls" in employing workers. The employment contracts are renewed every year. Those whose performance is poor and who fail to respond to instruction for improvement will be switched to the status of temporary employees or will be dismissed by the factory directors. After a 3-month period of probation, a new worker will sign a contract with the factory--the period of probation can be extended to 6 months if a new worker cannot fulfill the work quota in the first 3-month period. If, after the second period, a new worker still fails to fulfill the work quota, he will be dismissed or be employed on a temporary term of employment. A temporary worker is not entitled to bonus payment and fringe benefits. All cadres and workers receive floating wages which substitute for the previous basic wages. This enables the factories to fully implement the distribution principle of giving more remuneration to those who have done more work, benefiting able people, giving less to those who have done less work, and giving no remuneration to those who have done nothing.

From the very beginning, the reform in Yanqiao Township has had the support of the Wuxi County CPC Committee. The county committee calls on people throughout the county to learn from, and popularize the experiences gained in the reform in Yanqiao Township. On 8 April, the Wuxi City CPC Committee transmitted a Yanqiao Township Survey Report and pointed out that the practice in Yanqiao Township proved that only through reform could we give play to the superiority of the socialist system. At the same time, the city CPC committee called on urban and rural enterprises to learn from, and popularize in the light of their own conditions, the experiences of Yanqiao Township in order to promote the reform in their economic and other spheres.

CSO: 4006/480

ECONOMIC MANAGEMENT

LEARN FROM YANQIAO TOWNSHIP IN ENTERPRISE REFORM

HK171357 Beijing RENMIN RIBAO in Chinese 13 Apr 84 p 1

[Commentator's article: "Apply the Contract System to Enterprises in Townships"]

[Text] In the short period of 1 year, Yanqiao Township, Wuxi County, Jiangsu Province increased its gross industrial and agricultural output value by 74 percent and doubled its per capita income. It scored in 1 year the progress which it spent several years achieving in the past. This was a tremendously great achievement.

How could this township achieve such heartening results last year since there was no change in its land and people? The key to its success was the popularization of its experience drawn from its success in reform in the agricultural sector to other sectors such as sideline undertakings, industry, communications, construction and commerce. In all these sectors it carried out an all-round reform centered on the implementation of the all-round responsibility system. This is indeed a good step forward.

The whole national economy is an organic and integrated unity; therefore, the reform in agriculture which is the foundation of the national economy will inevitably demand corresponding reform in other sectors. Promptly and resolutely popularizing in our township enterprises the satisfactory experiences gained in implementing the agricultural all-round responsibility system and thus filling these enterprises with vitality is of great significance in putting an end to the situation of having 800 million peasants engaged in providing food for the country and in enabling our vast number of peasants to quickly become rich.

Under the precondition of following the guidance of state plans and obeying the relevant decrees of the state, the implementation of all-round administration and management responsibility system in our township enterprises enables them to have greater decisionmaking power in the spheres of production, personnel and labor management, economic distribution and labor welfare. This will surely enable them to develop more healthily. As conditions vary in different trade sectors and units, the forms of the responsibility system and the content of the all-round responsibility contracts should certainly vary; therefore, we should be earnestly on our guard against the practice

of seeking uniformity. We should prevent the malpractice of a small number of people monopolizing the assigning of the all-round responsibility contracts through their power of office or pull, forcing down the targets of the contracts and consigning the contracts at a profit.

The party committees and governments in all localities should strengthen their leadership over the township enterprises, proceed from the reality in their areas, break away from the fetters of old conventions which hinder the development of the productive force, and systematically carry out consolidation and reform. They should esteem the creativeness of the masses of people, conscientiously sum up and popularize good experiences, and continue to perfect them in their practice.

CSO: 4006/480

ECONOMIC MANAGEMENT

MEETING ON ECONOMIC, INDUSTRIAL WORK HELD 13 APR

SK170532 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 16 Apr 84

[Text] On 13 April, the standing committee of the provincial CPC committee held a meeting to discuss our province's current economic situation and the industrial reform, in line with the principle of conducting rectification and correction simultaneously. The meeting decided to regard the industrial reform as a major point of the current provincial economic work. The meeting called on party organizations and economic departments at all levels to further eliminate the leftist influence, conscientiously cooperate with one another, and adopt immediate measures to make a breakthrough for the development of enterprises sooner.

The provincial CPC committee maintained: The current provincial rural situation is very good. The guidelines of the CPC Central Committee's document No. 1 are being implemented across the province. We should, however, make even greater efforts in this regard, and must not slacken our efforts to develop agriculture. Viewing the provincial economic work, we can see that extremely low industrial and economic efficiency and slow development of industrial reform are seriously hindering the work of creating a new situation in our province's economic work. Similar situation also exists in the commercial field. Because we have the conditions for further promoting the industrial reform, we should take an initiative to solve whatever we can, rather than waiting for something and glancing right and left.

The provincial CPC committee stressed: The pernicious leftist influence has been a major obstruction in enlivening the economy and, in particular, in developing the industrial reform. This leftist influence has its own system, forms a complete set, and manifests itself in various aspects such as the economic model, the managerial system, enterprise economic management, labor, wages, and the personnel system. Therefore, attention should be paid to solving it. Particularly, all provincial party rectification units should, in line with their specific situations, eliminate the remaining influence of the leftist ideology, emancipate the mind, be bold in making innovations, press forward in the face of difficulties, and have the courage to probe into the essence of things. The provincial party rectification units should also practice in their fields of work on the premise of understanding the major and general affairs so as to serve the economic development. All these should be regarded as an important guiding ideology and an important criterion for judging how well the party rectification is proceeding.

The standing committee of the provincial CPC committee also discussed policies on relaxing restrictions for enterprises and decided to open a meeting on this work in the near future.

CSO: 4006/480

ECONOMIC MANAGEMENT

DEPARTMENT'S EXCESSIVE PAYMENT OF BONUSES PROBED

HK131459 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 12 Apr 84

[Excerpts] The regional economic relations and trade with foreign countries department disregarded the repeated injunctions of the central and regional authorities on the banning of excessive payment of bonuses and cash allowances. In 1983, the organizations of this department and the enterprises and companies under it paid excessive bonuses and allowances in cash and in kind totaling more than 300,000 yuan. In 1982, the regional economic relations and trade with foreign countries department violated financial and economic discipline and paid an excessive amount of bonuses exceeding 22,000 yuan. The relevant leading organizations criticized the department for this. However, the department not only failed to learn a lesson from this error, but, on the contrary, went further in paying an even larger amount of bonuses and allowances without authorization in 1983. The organizations of the department alone paid more than 10,000 yuan in bonuses and more than 15,000 yuan in cash allowances and more than 20,000 yuan in allowances in kind without authorization. The total excessive payment amounted to more than 40,000 yuan, more than 400 yuan per person. This example was followed by the units under this department, so the companies under this department paid a total amount of excessive bonuses and allowances in cash and in kind of more than 300,000 yuan.

After the problems of paying excessive bonuses in the economic relations and trade with foreign countries department was disclosed, the group for guiding party rectification of the regional CPC committee decided that the regional discipline inspection committee and the regional office of thorough financial inspection would form an investigation team to carry out a thorough investigation into the problems. With the conscientious support and help of the discipline inspection group of the department and of the cadres and people there, the investigation team succeeded in carrying out a clear investigation into the above-mentioned problems. The regional CPC discipline inspection committee held that by paying excessive bonuses and allowances in cash and in kind, the economic relations and trade with foreign countries department had seriously violated financial and economic discipline and harmed the fundamental interests of the people and the state. This was a practice that party discipline could not tolerate. Therefore, the committee decided; 1) All the excessive bonuses and allowances in cash and in kind should be returned. If these repayments cannot be made once for all, they can be paid

by installments. 2) The leading party group of the department should make a deep inspection in the units which have paid excessive bonuses and allowances in cash and in kind and circulate a notice of the results of the inspection all over the region. 3) The leading party group of the department and the CPC committees of the various companies should conscientiously sum up their experiences and draw lessons from these errors, strengthen their financial management, perfect their regulations and systems, and strictly enforce financial discipline. At the same time, they should do their ideological and political work among the cadres and masses satisfactorily.

Seeing that there are problems in other aspects in the economic relations and trade with foreign countries department, the regional CPC committee decided: the department should be regarded as a key unit for party rectification, simultaneous rectification and correction of defects, and correction of defects before party rectification; the regional CPC discipline inspection committee should organize a work team and send it into the department; and after a thorough investigation of all the problems, the leading comrades who are responsible for the errors should all be administratively punished.

CSO: 4006/480

ECONOMIC MANAGEMENT

PERSONNEL FROM OTHER AREAS TO AID CONSTRUCTION

HK131554 Lhasa Xizang Regional Service in Mandarin 1130 GMT 12 Apr 84

[Excerpt] By 10 April, a total of 235 engineering and technical personnel, the first batch from other provinces to assist the region's construction, had arrived in Lhasa.

Approved by the CPC Central Committee and the State Council, nine provinces and municipalities have undertaken the task of assisting the region in developing engineering projects in order to celebrate the 20th anniversary of the founding of the Xizang Autonomous Region. After receiving the task of assisting Xizang's construction, these fraternal provinces and municipalities, with a high revolutionary spirit and resolute fighting style, promptly established special leading bodies and selected and transferred various professional personnel to establish project surveying consultation groups and technical contingents.

In Guangdong Province, a provincial vice governor was appointed to be in charge of the leading group assisting Xizang's economic construction. A commanding office for supporting Xizang's economic construction was also established in Zhejiang Province. In Jiangsu Province, Mantong County has been assigned the task of organizing people to build a project in Lhasa. Those engineering and technical personnel from four provinces who have arrived in Xizang are full of vigor and enthusiasm for supporting Xizang's economic construction.

CSO: 4006/480

ECONOMIC MANAGEMENT

LEADERS SPEAK AT MEETING ON ECONOMIC ISSUES

HK140303 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 13 Apr 84

[Excerpts] Provincial CPC committee Deputy Secretary Wang Kewen made a speech at the provincial economic conference on 13 April. He pointed out: To improve economic results, it is essential to relax the policies, be bold in reform, further eliminate the influence of leftist ideology, and give free rein to the enterprises in promoting work.

Comrade Wang Kewen first spoke on vigorously developing urban and rural collective and individual economy. He said: Collective and individual economy has already become a pillar of the national economy. Developing collective and individual economy is particularly important in building the energy and the heavy and chemical industry bases in Shanxi. However, collective and individual industry in the urban and rural areas of the province, especially in the towns, has developed rather slowly. Annual output value of the province's no. 2 light industry system is about 1.5 billion yuan, accounting for only 10 percent of total annual industrial output value. Agriculture also relies on the development of township and town enterprises in order to achieve two transformations.

Speaking on how to develop urban and rural collective and individual economy, he said: We must emancipate our minds, relax the policies and provide vigorous support; we must certainly not restrict it. Its operations should cover a wide scope. It can engage in coalmining, transport, catering services and soon, and can even run schools and develop culture and education. So long as they pay tax to the state according to the regulations, the collective enterprises should have the power to deal with their own affairs. Small enterprises at county-level and below can be owned by the whole people and run by the collective.

On the question of regarding guidance by plans as the main factor and regulation by market mechanism as supplementary, Comrade Wang Kewen said: The reforms in Taiyuan iron and steel company have proven that it is beneficial for the state to have most products produced and distributed according to plan and to allow the enterprises themselves to use some of their products to engage in regulation by market mechanism; in this way they can promptly find out the situation and avoid stockpiles caused by blind production.

Wang Kewen said: We should further expand enterprise decisionmaking powers. To carry out reforms, we must provide support for the enterprises and allow them certain powers in personnel, capital, products, labor, and so on. They should have their own powers of control. For instance, they should have the power to sell their own products and to float the prices, because in this way they can develop production, increase profit, improve the workers' living standards, and raise economic results.

Vice Governor Yan Wuhong delivered a report at this conference on the same day, entitled "Emancipate the Mind, Boldly Carry Out Reforms, and Work to Create a New Situation in the Province's Economic Work." Speaking on the province's tasks in industry, communications, finance, and trade in 1984, he said: The general guiding ideology is, with the 12th Party Congress spirit as the guide, party rectification as the motive force, and improvement of economic results as the central task, to continue to implement the principle of readjusting the national economy, relax the policies, enliven the economy, take full advantage of Shanxi's superior features, improve communications and transport, spur technological progress, improve enterprise quality, and do a good job in market supply and circulation work; to make new breakthroughs in improving product quality, service quality, the level of taxes and profits, and labor productivity, and in cutting input consumption, production costs, expenditures, and deficits; and to ensure that the province's industry and communications enterprises will achieve continued synchronous growth in production, taxes and profits, and financial revenue. We should strive to achieve 1 year ahead of schedule a number of major economic indices for the sixth 5-year plan.

Comrade Yan Wuhong said: To ensure the fulfillment and overfulfillment of the province's industry, communications, finance, and trade tasks for 1984, we must concentrate on getting a good grasp of seven tasks:

1. Organize industry and communications production centering on taking advantage of Shanxi's superior features, and do a good job in circulation work.
2. Harmonize the province's economy in accordance with the readjustment principle, do a good job of readjustment of trades and sectors, continue to promote reorganization, the formation of combines, and the restructuring of enterprises' product mix, and speed up the consolidation of the enterprises, to rationalize their organizational structure.
3. Persistently carry out reform and relax the policy, to stimulate the enthusiasm of the enterprises and the workers. The leaders at all levels must enthusiastically support and lead reform and ensure that it develops healthily.
4. Vigorously stimulate technological advance, learn progressive experiences, and gradually change the province's technological backwardness.

5. Promote the drive to increase production and practice economy and increase output while economizing expenditures.
6. Actively support agriculture and spur the development of rural commodity economy.
7. Strengthen ideological and political work and promote the building of the two civilizations.

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ECONOMIC MANAGEMENT

OFFICIAL LAUDS SHIRT PLANT'S ENTERPRISE REFORM

OW161105 Beijing XINHUA Domestic Service in Chinese 0107 GMT 15 Apr 84

[Article by reporter Xu Yaozhong]

[Excerpts] Beijing, 15 Apr (XINHUA)--In an interview with this reporter on 15 April, a responsible person of the State Commission for Restructuring the Economic System affirmed Bu Xinsheng's experience in making reform at the Haiyan shirt general plant, noting that it is of great significance for successfully carrying out reform in urban economy.

The responsible person said: Enterprises are the main body of the national economy, as well as the wellsprings of social wealth, economic achievement and financial revenue. In our socialist country, the wealth of the nation hinges on the financial condition of enterprises; in other words, only when their business thrives can the nation prosper. Understanding this truth, Bu Xinsheng and his colleagues have enabled their enterprise to flourish through reform and opened up more financial sources for the state, thereby giving a strong impetus to the economic development of the whole country.

After reviewing the achievements in implementing the contract responsibility system based on households with remuneration linked to output in China's rural areas, the responsible person said: Reform in urban economy, including reform in enterprises, should follow a similar path, that is, it is necessary to tap the potentials of enterprises and create favorable conditions for them so that a portion of the enterprises and their staff and workers can become rich first and then help other enterprises and workers to gradually become well off too.

Analyzing the successful experience of the Haiyan shirt general plant and some other enterprises in carrying out reform, the responsible person said that these experiences once again show that in order to enliven enterprises, it is necessary to further solve two major problems concerning "everyone eating from the same big pot."

First, it is necessary to correctly handle the relationship between the state and enterprises so that they do not rely on the state's "iron rice bowl" and eat from the state's "big pot."

Second, it is necessary to properly solve problems within enterprises and between an enterprise and its staff and workers so that they do not rely on the enterprise's "iron rice bowl" and eat from its "big pot."

In conclusion, the responsible person said: In the current reform, all localities must emancipate the mind and seek truth from facts in exploring new ways to carry out reform. He urged enterprises and departments concerned to carry out the work in a down-to-earth manner so that the reform can continuously advance along a healthy path.

CSO: 4006/480

ECONOMIC MANAGEMENT

SICHUAN SPEEDS UP URBAN SYSTEM ECONOMIC REFORM

HK161455 Beijing RENMIN RIBAO in Chinese 15 Apr 84 p 1

[Report by correspondent Huang Wenfu [7806 2429 4395]: "Sichuan Decides to Popularize Chongqing's Experience to the Whole Province To Speed Up Comprehensive Urban Economic System Reform"]

[Text] As Chongqing is in Sichuan, how can Sichuan best use Chongqing's experience? Sichuan Province has decided to popularize to the cities in the province Chongqing's experience in comprehensive economic system reform so as to speed up this reform in cities.

In line with the plan of the provincial CPC committee and government, the 15 cities under the jurisdiction of the provincial authorities and prefectural authorities are required to gradually carry out system reform in various aspects by focusing on enlivening and circulating the economy. Provincial and prefectural-affiliated enterprises which can be placed under city jurisdiction must be gradually placed under city jurisdiction; part of the economic management power at the provincial and prefectural levels should be transferred to the city levels; each city is required to set up trade centers for industrial products and agricultural and sideline products; and each city is required to carry out reform in industrial specialization and to form economic integration. At present, the six second-level commercial stations affiliated to the provincial authorities have been put under Chengdu jurisdiction, and procedures for transfer are being handled and industrial trade centers are being built. Economic system reform will be carried out in May and June, respectively, in the 4 cities under provincial jurisdiction, such as Zigong and Dukou, and in the 10 cities under prefectural jurisdiction, such as Nanchong and Mianyang.

These cities will build economic zones and economic centers on different scales and with different characteristics.

The provincial CPC committee and government have demanded that the economic responsibility system be implemented well in the in-house departments of enterprises, and enterprises are allowed to create various forms of economic responsibility system in the light of their specific conditions. Sichuan Province is also energetically popularizing the experience of the Chongqing

Jialing motorcycle combination group in breaking away from regional and trade divisions, in forming various economic combination bodies, and in carrying out cooperation among specialized units. The Sichuan Provincial Government has reformed the bonus issuing methods and implemented the principle of relating bonuses to enterprises' economic results.

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ECONOMIC MANAGEMENT

ANHUI LEADERS AFFIRM PLANT DIRECTOR'S WORK

OW210205 Beijing XINHUA Domestic Service in Chinese 1153 GMT 17 Apr 84

[Article by reporters Jiang Zhimin and Tian Xuexiang]

[Excerpts] Hefei, 17 Apr (XINHUA)--Recently, Secretary Huang Huang and Deputy Secretary Yang Haibo of the Anhui Provincial CPC Committee fully affirmed the plant-management experience of a township enterprise leader--Xia Dinghu, director of the Ningguo County Pressurized Liquid Containers Plant, who suffered suppression and attacks for 5 years because of his persistence in making reforms. They have praised Xia Dinghu as a courageous and far-sighted reformer and man of action, and have asked the whole province to vigorously publicize his reformist and creative spirit, and continue efforts to break through "left" mental fetters, opening up a new situation in Anhui's economic work.

Xia Dinghu, now 40, was a polytechnic school graduate. In 1979, he assumed the post of director of the Ningguo County Pressurized Liquid Containers Plant. After the 3d Plenary Session of the 11th CPC Central Committee, he made a series of bold reforms in the plant's operations and management systems, on the basis of the unique features of the township enterprise.

Xia Dinghua's persistence in making reforms greatly stirred up the work enthusiasm of the staff and workers. Since 1980, the year after Xia Dinghu assumed his post, the plant has increased, by a big margin, its annual output value, and the amount of tax paid to the state in lieu of profits. In 1983, the plant's total output value amounted to 2.28 million yuan, while the amount of tax paid in lieu of profit was as high as 1.31 million yuan.

Despite these achievements, Xia Dinghu was blamed and criticized by some departments and responsible persons from the very day he started reforms. They said that his reforms were "unlawful," "unorthodox," and "undermined the socialist system." As for the money the plant had spent to enliven its economic activities, they considered such disbursement as an economic crime. Xia Dinghua, became a controversial person in the locality. Some described him as a reformer; others accused him of being a criminal. In August 1982, the Xuancheng Prefectural CPC Committee took up the issue of the Pressurized Liquid Containers Plant as a major problem in the area, and placed a case on file to investigate Xia Dinghu's deeds. An order was issued to suspend

him from his post, pending investigation, and the Ningguo County CPC Committee was instructed to send an investigation group to the plant to look into his "problem."

Last February, Xia Dinghua's case was brought to the attention of the Anhui Provincial CPC Committee. Secretary Huang Huang and Deputy Secretary Yang Haibo of the provincial CPC committee wrote instructions on a report concerning Xia Dinghua's case. The instructions affirmed Xia Dinghua's experience in managing the plant, praised his reformist spirit, and urged the departments concerned to act promptly, in accordance with the established policy, in handling this case.

CSO: 4006/480

ECONOMIC MANAGEMENT

ISMAIL AMAT CALLS FOR ECONOMIC BREAKTHROUGHS

HK190748 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Apr 84

[Text] At a plenary session held by the regional people's government yesterday, Ismail Amat, chairman of the regional people's government, delivered a speech in which he emphatically pointed out: In order to implement the spirit of the national economic work conference, we must make new breakthroughs in improving the quality of enterprises, enlivening the economy, promoting technological progress, and closely linking up industry with commerce.

Ismail Amat said: The foundation of most of the enterprises in our region is too poor to withstand the tests and challenges confronting them. Therefore, for the sake of improving the quality of enterprises, we must strive to improve the quality of leading cadres, be determined in selecting the people who are in the prime of life and who have knowledge and pioneering spirit to hold primary responsibility, and thoroughly weed out the people of three categories who are still holding leading posts. It is necessary to pay attention to the educational and technical training of workers, to the upgrading of knowledge of engineers and technicians, and to the building of the workers' ranks.

Ismail Amat said: We cannot let our enterprises remain in a state of slow progress and stick to conservative ideas. Without modern thought, it would be impossible to carry out modern production. Instead of binding ourselves with the thought of small-scale peasant economy, we must be bold in blazing new trails, advancing forward, and breaking conventions. We must take note of discovering and training reformers and entrepreneurs like Bu Xinsheng, must learn from the experience of Fujian Province, and must alleviate the burdens of factory directors.

Concerning the problem of promoting technical progress, the main task at present is to do well the technical transformation of existing enterprises, improve the quality of products, increase variety, develop new products, and cut down the consumption of raw materials. In the second quarter of the year, all enterprises and departments should pay attention to the technical transformation of some key construction projects and turn them into new production capacity. We must mobilize the masses and let them put forward reasonable proposals and carry out technical innovation activities. We must

actively carry out economic and technical cooperation with other provinces, municipalities, and autonomous regions and implement the cooperative projects one by one.

We must vigorously promote the circulation of commodities and closely link up industry with commerce. Only in this way can we attain better economic results, enliven the economy, and achieve simultaneous increase in production, profits, and revenue.

CSO: 4006/480

ECONOMIC MANAGEMENT

ZHOU ZHENG ON STRONGER ECONOMIC WORK PROPAGANDA

HK180803 Changsha Hunan Provincial Service in Mandarin 2310 GMT 17 Apr 84

[Text] Yesterday afternoon [17 April], the provincial government held a forum for journalists in Changsha to discuss the problem of strengthening propaganda in the economic field. At the forum, Vice Governor Zhou Zheng emphatically pointed out: Economic work is the central link of all other work. All fields and departments, including the propaganda departments, should conscientiously subject themselves to and also serve this central link. Economic construction should be placed first in our news reports. At present, it is necessary to lay stress on publicizing the reforms carried out in the economic field.

Comrade Zhou Zheng said: The propaganda departments should use the mass media to report in a clear-cut manner the advanced enterprises and individuals who have surmounted difficulties and done a good job in reform. They should also report typical cases and criticize the small number of people who resist and obstruct reform.

Comrade Zhou Zheng demanded that emphasis be laid on the following four aspects in publicizing the achievements of reform:

1. They should report the experiences of smashing the big pot and particularly the typical experiences of enterprises which have done well in the contracting of economic responsibilities. The methods practiced by enterprises of not defining maximum and minimum limits in issuing bonuses on the basis of attaining better economic results should also be reported.
2. They should report the experiences of breaking through the barriers between various localities and between urban and rural areas and of carrying out reform in commercial circulation fields.
3. They should report the news of implementation of the methods of inviting and submitting tenders, signing contracts, and so on in carrying out capital construction. They should also report the situations of employing contract workers.
4. They should report the typical experiences of relaxing policies and accelerating the development of the collective economy and report the

experiences of industrial and communications departments and enterprises in discussing and grasping major events in the course of party rectification.

At the forum held yesterday afternoon, Comrade (Chen Youran), vice chairman of the provincial economic commission, introduced the current situation of industrial and communications production to the press units and put forward his opinions on strengthening propaganda in the economic field.

CSO: 4006/480

CHENGDU CARRIES OUT ECONOMIC STRUCTURAL REFORM

HK240248 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 20 Apr 84

[Text] When the Chengdu City CPC Committee solicited opinions from cadres and the masses, some comrades said that the city CPC committee members failed to thoroughly emancipate their mind, spent too much time on documents, and failed to create a new situation in their work. The main characteristics are that economy was not carried out in a lively manner; reform was not carried out swiftly; efficiency was low; quality was poor; and waste was serious.

While studying party rectification documents in connection with reality, the CPC committee members held that their failure to thoroughly emancipate their mind was due to their failure to thoroughly eliminate the remnants of erroneous leftist ideas. In order to increase economic strength, to bring into play the role of a key city, to achieve the general target raised at the 12th CPC National Congress, and to make due contributions to making people and the state rich, it is necessary at present to do the following:

1. It is necessary to implement various responsibility systems so as to put pressure on and give vitality to enterprises. This year, in large and medium state-run enterprises, the trial project of enterprises being responsible for the allocation of funds for the use of technological innovation should be carried out. In small state-run enterprises, it is necessary to practice the method of state ownership, collective operation, the state levying taxes on enterprises, and enterprises assuming responsibility for profits and losses.
2. It is necessary to perfect the responsibility systems within enterprises, to reform the reward and punishment system in enterprises, to link rewards with taxes and profits, and to practice the system of [words indistinct].
3. It is necessary to speed up the reform of the circulation system by taking advantage of expanding commodity circulation points. The method of [words indistinct] should be practiced in commercial departments so as to reduce circulation procedures. It is necessary to develop trading companies for industrial products and to vigorously develop various industrial-commercial, agricultural-commercial, and commercial-commercial joint operations, and to expand purchasing and sales.

4. It is necessary to vigorously support enterprises to develop new products and to use new technologies to carry out technological renovation and business reorganization. It is necessary to support the development of rural specialized households and town- and township-run enterprises, to encourage other areas to jointly develop enterprises with the city, and to promote economic development by using credit.

5. It is necessary to speed up the reform of the enterprise system in connection with the reform of the economic system so as to make technological progress and increase the potential power of economic development.

6. All suburban counties and districts in the city must widely promote the experiences achieved by (Xionglai) and (Jingdu) in carrying out a pilot project of the reform of the general agricultural system.

CSO: 4006/480

ECONOMIC MANAGEMENT

MOVES TO IMPROVE ENTERPRISE PERFORMANCE

HK170223 Tianjin City Service in Mandarin 2330 GMT 8 Apr 84

[Excerpts] Our reporter has learned from the departments concerned that, to ensure that the enterprises get tangible results in turning loss to profit, the municipality has decided to institute a number of policy measures this year.

Production will be halted and consolidation carried out in a number of enterprises running at great loss. These enterprises include those running at great loss due to lack of raw material and energy sources and inability to solve transport problems; those running at great loss due to inefficient management and high input consumption and waste; and those unable to find sales outlets for their products, which have large stockpiles.

Supplies of fuel, power, and raw material will be stopped for these enterprises halting production for consolidation. During the period that their production is halted, only basic wages will be paid.

Enterprises running at a loss for operational and management reasons will be given a deadline for turning loss to profit. It is planned that the actual losses made by these enterprises by yearend be less than the plan drawn up by the municipal authorities, or else that they should be making a profit by that time. These enterprises can retain 40 percent of the amount involved in turning loss to profit.

The municipality has also drawn up specific regulations on strengthening management and controlling losses in some foodstuff, vegetable, and other enterprises running at a loss for policy reasons, on the basis of ensuring the fulfillment of the municipal supply plan.

CSO: 4006/480

ECONOMIC MANAGEMENT

JOINT CIRCULAR ON SAFETY MONTH ACTIVITIES ISSUED

OW010444 Beijing Domestic Service in Mandarin 1200 GMT 30 Mar 84

[Text] The State Economic Commission, the Ministries of Labor and Personnel, Public Health, Public Security and Radio and Television and the All-China Federation of Trade Unions jointly issued a circular on 30 March on launching the fifth national safety month activities.

The circular calls on all units throughout China to make concerted efforts on boosting production while reducing accidents. The circular says: In launching safety month activities it is essential to foster attaching priority to safety in production, institute the responsibility system, enforce laws on production safety and bring about safe and civilized production so as to improve economic results.

The circular points out: Since the State Council approved the launching of safety month activities in 1980, production safety has markedly improved year by year. However, we must not fail to see that serious accidents still occur in some localities and departments and that workers and staff members of some units still suffer from serious occupational diseases. The high rate of industrial accidents and occupational diseases is chiefly due to some local departments' and enterprises' lack of understanding of the CPC Central Committee's principles and policies toward production safety, half-hearted efforts to implement the principles and policies, scanty understanding of law-abiding and inappropriate measures for insuring safety in production.

The circular calls on the various localities and departments to organize forces to seriously inspect the enterprises' and units' efforts in implementing the relevant state laws and decrees, institute the production safety responsibility system, promptly handle accidents and prevent occupational diseases. It also calls for integrating the safety month activities with the consolidation and reform of the enterprises.

CSO: 4006/480

BRIEFS

YUNNAN ENTERPRISE TRANSFORMATION--Leading comrades of the Yunnan Provincial CPC Committee and the provincial people's government have attached great importance to the letter, dated the end of March, from 55 directors and managers of factories in Fujian Province which demands the transformation of enterprises. The leading comrades have demanded that relevant departments refer to Fujian's method and select a number of large and medium-sized factories to carry out a pilot project. After summing up experiences, the province should quickly popularize these experiences and transform enterprises. This letter demands that enterprises be transformed and be given decisionmaking power in management. Xiang Nan, first secretary of the Fujian Provincial CPC Committee, quickly gave written instructions and comments on this letter, expressing support for transformation. JINGJI RIBAO carried a report on this letter on 3 April. Having read the report in JINGJI RIBAO, An Pingsheng, first secretary of the Yunnan Provincial CPC Committee; Pu Chaozhu, governor; and Zhu Kui, vice governor, gave written instructions and comments respectively on 4 and 5 April and instructed the provincial economic committee to take the lead in transforming enterprises, to make arrangements for the pilot project, and to work out a method. On 10 and 11 April, the provincial economic committee and the Kunming City People's Government respectively held forums, which were attended by directors and managers of some enterprises subordinate to the province and the city, to discuss the issue on transformation. [Summary] [HK200852 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 11 Apr 84 HK]

GUANGDONG ENTERPRISES' POWERS--Yesterday afternoon, the Guangdong provincial government held a meeting which was attended by responsible persons of the organization department of the provincial CPC committee, the provincial economic committee, the personnel department, the finance department, and the labor department. The meeting put forth corresponding measures to handle the suggestions made of 13 April by 65 directors and managers of factories of the provincial factory director research institute on requesting a free hand in their work. The organization department and the personnel department agreed on the expansion of powers of the enterprises and factory directors. All consolidated enterprises can elect factory directors in a democratic way and their upper-level departments must give their approval. The factory directors are allowed to organize the administrative organs of their factories and to select their assistants. The enterprises can appoint and remove mid-level and other cadres and can also employ people by contract. The

provincial finance department agreed that enterprises may spend their own bonus funds. The bonuses will float as enterprises' taxes and profits increase or drop. Vice Governor Kuang Ji presided over yesterday afternoon's meeting. He hoped that all relevant departments in charge will wholeheartedly give factory directors a free hand in their work and will quickly formulate all detailed rules and regulations for enforcement. [Summary] [HK181521 Guangzhou Guangdong Provincial Service in Mandarin 1100 GMT 17 Apr 84 HK]

GUANGDONG REDUCES DEFICITS--The amount of profits made in the first quarter of this year by the state industrial enterprises throughout Guangdong Province which were included in the state budget was 21.2 percent more than in the corresponding period last year. The number of enterprises which incurred losses was reduced by 320, a reduction of 27.3 percent. The amount of losses was reduced by 38.17 million yuan. [Summary] [HK181521 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 17 Apr 84 HK]

CSO: 4006/480

FINANCE AND BANKING

BANK OF CHINA EXPANDS OVERSEAS BUSINESS

OW131904 Beijing XINHUA in English 1633 GMT 13 Apr 84

[Text] Beijing, 13 Apr (XINHUA)--The Bank of China signed credit agreements worth more than 20 billion U.S. dollars with overseas banks between 1979 and 1983, said Ding Ning, spokesman for the bank at a press conference here today. These included buyers' credit agreements concluded with the banks of Argentina, Australia, Belgium, Britain, Canada, Denmark, France, the Federal Republic of Germany, Italy, and Norway, he said. Energy loan agreements were also signed with the Export and Import Bank of Japan and loan agreements with non-governmental Japanese banks, Ding said.

China's foreign exchange reserves were 14.3 billion U.S. dollars at the end of 1983, 3.2 billion U.S. dollars more than in 1982. "The Bank of China has also taken in both domestic and overseas deposits in foreign currencies," he said. By the end of 1983, the bank had extended 19.7 billion U.S. dollars in loans, 88 percent of which were provided during the past five years, he said. Loans of 6.99 billion U.S. dollars, or 35 percent of the total, were extended to 40 central departments to aid the development of energy, transport, and ocean shipping industry. "Short-term loans of 3.97 billion U.S. dollars were also provided to all parts of China to help upgrade nearly 9,000 items in small and medium-sized industrial enterprises," Ding said. By the end of 1983, loans of 130 million yuan and loans of 50 million U.S. dollars had also been extended to 80 Chinese-foreign joint ventures.

The Bank of China approved 97 trust investment projects worth 250 million U.S. dollars between 1982 and 1983, including 12 Chinese-foreign joint ventures. It undertook 54 international leasing items valued at 26.74 million U.S. dollars. These have helped retool industrial enterprises, import advanced technology and equipment, improve the product quality, and expand exports.

The bank now has 189 branch offices nationwide staffed by 14,000 members, and 275 branches and representative offices abroad, including those in New York, London, Tokyo, Paris, Singapore, and other international financial centers. It maintains correspondent banking relations with 3,151 branches of 1,161 banks in 149 countries and regions, Ding said.

CSO: 4020/111

FINANCE AND BANKING

RENMIN RIBAO ON INCREASING TAX REVENUES

HK190924 Beijing RENMIN RIBAO in Chinese 14 Apr 84 p 1

[Commentator's article: "Fundamental Way to Increase Tax Revenues"]

[Text] The practice of the tax department of Xinxiang County in Henan Province has explained that the vigorous promotion of the development of commodity production is the fundamental way to increase tax revenues.

For a long time, people have been accustomed to regarding tax revenue work as the rope binding the development of commodity production. This is a kind of prejudice. Our levying of taxes is, on the one hand, for the sake of centralizing funds and carrying out state construction in a planned manner and, on the other hand, for the sake of regulating income, balancing the tax burden of urban and rural areas, safeguarding legitimate operation, and promoting production. The taxes we levy are based on the principle of using what is taken from the people in the interests of the people. The levying of taxes is only the means; the fundamental objective is promoting the faster development of production and unremittingly improving the people's livelihood.

For the sake of increasing the revenues of the state, the broad masses of tax revenue personnel, particularly those comrades working at the basic level, must work diligently and conscientiously even in the teeth of wind and rain, and make important contributions to state construction. However, it also cannot be denied that because of being subjected for a fairly long time to "leftist" influence as well as mistakes in work, there are indeed still certain shortcomings in tax revenue work at present. Although this condition has changed somewhat since the 3d Plenary Session of the 11th CPC Central Committee, it has still not been completely solved even today. Some of the comrades still do not quite understand the new situation in the development of rural commodity production. They are laden with anxieties with regard to supporting individual commercial households, and still have prejudices against letting the peasants become rich first. They even try to ostracize them, make things difficult for them, and retaliate against them out of personal resentment. In the preceding period, some of the localities in checking evasion of taxes have dealt erroneously with the specialized rural households. This is detrimental to the development of rural commodity production.

The new situation in the development of rural commodity production requires the personnel of tax departments, including tax departments at the basic level, to conscientiously study central document No. 1, unremittingly clear away "leftist" pernicious influence from their minds, improve their understanding of commodity production and commodity exchange, family operations and individual commercial households, and specialized households as well as leading the peasants to become rich first, strive to be promoters giving an impetus to the development of commodity production in the countryside, and correct the method of thinking that "tax revenue personnel helping to grasp production are not paying attention to their proper duties." Promoting the development of commodity production is not only the business of hundreds of million of peasants, but also the fundamental responsibility of tax departments. This is because production is the basis, and only if production is developed can tax revenues be unremittingly increased.

Confronted by this new situation of the unremitting development of rural commodity production and the rapid increase of village and town enterprises as well as various types of specialized households, tax departments should actively and steadily reform the outmoded work system as well as methods of work, conscientiously change their work style, and combine taxation with service work. In the light of ideas of "fearing taxes" appearing in the countryside, they may pay special attention to meticulously and thoroughly propagating the tax policy of the state, inform the peasants of what should be taxed, how much should be taxed, and what should not be taxed, and let them boldly develop commodity production. Based on the spirit of relevant policies of the Central Committee, various localities may, in the light of specific conditions, draw up some concrete measures more conducive to developing commodity production and safeguarding the enthusiasm of the peasants. Tax cadres must properly serve as staff officers of the peasants in developing production, supply them with information, direct them to master economic accounting, strive to lower costs, and raise economic results. They must support, encourage, and help the peasant households with necessary conditions to participate in the management of such fields as commerce, transportation, service, repair, catering, and processing. Many newly established village and town enterprises as well as newly emerging individual commercial households lack experience in management and administration, and their economic strength is also very weak. Tax departments should pay attention to actual conditions, and within the scope permitted by policies, give them as much consideration as possible.

CSO: 4006/480

FINANCE AND BANKING

BRIEFS

XINJIANG REVENUE INCREASES--Xinjiang Region's gross revenue in the first quarter of this year was 148 million yuan, an increase of 10.7 percent over the same period last year. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Apr 84 HK]

NEI MONGGOL REVENUE PLAN--In the first quarter of 1984, Nei Monggol Autonomous Region made good achievements in revenue, and fulfilled the annual plan by 22.6 percent, an increase of 27.8 percent over the corresponding 1983 period. In the first quarter of this year, the region's industrial output value set a record in history. The number of money-losing state owned enterprises declined by 66. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 12 Apr 84 SK]

BELGIAN BANK REPRESENTATIVE OFFICE--Beijing, 9 Apr (XINHUA)--The Beijing representative office of the Societe Generale de Banque Belgium (Generale Bankmaatschappij) was officially opened here today. This is the first representative office of a Belgian bank set up in Beijing. Villegas de Clercamp, chairman of the board of managing directors of the bank, gave a reception for the opening in the Great Hall of the People here this evening. Both Villegas and Bu Ming, chairman of the board of directors of the Bank of China, spoke at the reception. They expressed the belief that the establishments of the bank's representative office in Beijing would help promote cooperation in economic, trade, technical and financial fields between China and Belgium. Belgian ambassador to China Roger Denorme attended the reception. [Text] [OW092102 Beijing XINHUA in English 1440 GMT 9 Apr 84]

CSO: 4020/113

MINERAL RESOURCES

PRC'S LARGEST COPPER CENTER UNDER CONSTRUCTION

OW200733 Beijing XINHUA in English 0634 GMT 20 Apr 84

[Text] Nanchang, 19 Apr (XINHUA)--The Jiangxi copper company in east China is being developed into the country's largest copper producer.

Smooth progress has been made on building the Yongping copper mine, one of the four copper mines of the company in northeastern Jiangxi Province. Located in a mountain area in Yanshan County, it is scheduled to be completed next year to turn out 86,000 tons of copper concentrates and more than one million tons of sulfur concentrates annually. Sulfur is urgently needed for China's growing chemical industry.

A copper smeltery, fitted out with equipment imported from Japan and Finland, has been put into trial operation in nearby Guixi County. It will be China's largest copper smelting center and the whole work process will be controlled by electronic computers. Installation of auxiliary items is under way and technical personnel are being trained.

When the smeltery goes into operation next year, it will be able to produce between 50,000 and 90,000 tons of copper and 360,000 tons of concentrated sulfuric acid a year.

The copper reserves in northeastern Jiangxi accounts for one-fifth of the country's total. The state has allocated a total of 600 million yuan (about 300 million U.S. dollars) in the past five years for the development of copper industry in this area.

CSO: 4020/108

INDUSTRY

BRIEFS

NEI MONGGOL NEW RAIL PRODUCT--The beam and rail plant under the Baotou Iron and Steel Company, Nei Monggol Autonomous Region, succeeded in trial-producing the steel rail of 75 kg of per-meter weight on 27 March, the newly invented product of metallurgical industry in China. This is the second achievement of the plant in this regard since it trial-produced the steel rail of 60 kg of per-meter weight before. The new product has been proved as up to the designed standard and is being put into mass production, which will be greatly contributory to improving transport quality, easing the strained situation of railway transportation, and to modernizing railway transportation. [Excerpts] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 31 Mar 84 SK]

SICHUAN TOWNSHIP, TOWN ENTERPRISES--The gross income of the township and town enterprises in Sichuan Province in the first quarter of this year amounted to over 750 million yuan, a record, which was 10 percent more than for the same period last year. Production of 27 main products recorded a relatively big increase over the same period last year. Among them were beverages, tea, leather shoes, glass for daily use, and plastic products, which were marketable and, which production increased by 20 to 100 percent. [Summary] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 15 Apr 84 HK]

CSO: 4006/480

CONSTRUCTION

ZHEJIANG PROVINCE EXPANDS TOURIST FACILITIES

OW111409 Beijing XINHUA in English 0814 GMT 11 Apr 84

[Text] Hangzhou, 11 Apr (XINHUA)--A top-rate hotel will be renovated and an international club built in Hangzhou, capital of Zhejiang Province and a favorite tourist resort with its well-known West Lake.

This is part of the province's program to bring its tourist facilities and services up to world standards in the next two or three years, according to Wang Rongchang, deputy director of the Zhejiang tourist administration.

While building new hotels, efforts are being made to expand older ones and refurbish hotel rooms, Wang said.

The Huagang, Huajiashan and Zhejiang hotels have each added a new building with a total of more than 700 beds and expanded the old buildings to add another 270 beds, the deputy director said. A new seven-story hotel with 700 beds is under construction and is expected to open this August. By then, the tourist hotels in Hangzhou will be able to accommodate some 3,000 visitors at a time, Wang Rongchang said.

In addition, he said, a hotel room improvement drive is in full swing. All the tourist hotels in Hangzhou, Ningbo, Wenzhou and Shaoxing have redecorated their rooms and added air-conditioning equipment, coffee bars, restaurants with local flavors, massage rooms and new communications and transport facilities.

Six hotels in Hangzhou, including Hangzhou and Xiling, have installed closed-circuit television and opened teahouses with musical bands.

Wang Rongchang said the province last year received more than 181,000 tourists from Hong Kong and Macao and foreign countries and this year's figure may reach 200,000.

A leading group in charge of tourism, which was set up last year, is now working on a long-term development program in order to meet the needs of growing numbers of visitors, he added.

CSO: 4020/108

CONSTRUCTION

BRIEFS

HAINAN ECONOMIC DEVELOPMENT ADVANCEMENT--Good news of marked achievements in diversified development of Hainan Island keeps pouring in. In the first quarter of this year, the gross output value of industry increased by 23 percent over the corresponding period of last year, 21 key construction projects, which are included in the state plan, made good progress, and an unprecedentedly encouraging momentum appeared in spring ploughing and sowing. Since January, some more projects have started. They include the extension project of Haikou harbor, the building of guest houses in Haikou, Sanya, and Songtao, and the building of Hainan University, Hainan teachers' college, and the Hainan scientific and technological research centre. New economic sectors have also developed rapidly on the island. More than 36,000 small rubber plantations run by peasant households were built, covering an area of 400,000 mu. In the first quarter of this year, foreign investors and businessmen streamed into the island; they concluded 70 contracts and agreements for the development of Hainan Island. [Text] [HK191443 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 19 Apr 84]

XIZANG PROJECTS--Lhasa, 19 Apr (XINHUA)--Tibet has decided to build 43 power stations, hotels, schools, hospitals, cultural centers and medium-sized and small industrial enterprises in 1984 and 1985, according to local officials. Twenty-seven of the projects will be completed before September 1985, improving Tibet's energy network, communications and tourist facilities. The central government will provide most of the funds, building materials and equipment, while Beijing, Shanghai, Tianjin, Jiangsu, Zhejiang, Fujian, Shandong, Sichuan and Guangdong will be responsible for designing and engineering. Buildings for civil use will be in traditional Tibetan style. Technicians and building workers have begun arriving in Lhasa to start work. [Text] [OW190903 Beijing XINHUA in English 0830 GMT 19 Apr 84]

CSO: 4020/108

DOMESTIC TRADE

MINISTER OF COMMERCE ON SUPPLY, DEMAND RELATIONSHIP

HK180929 Shanghai SHIJIE JINGJI DAobao in Chinese 12 Mar 84 p 3

[Report by SHIJIE JINGJI DAobao reporter Hu Houfa [5170 0683 3127] stationed in Beijing: "Minister of Commerce Liu Yi on Enlivening Businesses"]

[Test] At present, the commodities in the market which can basically balance supply and demand constitute 50 percent, the commodities which fall short of demand constitute 20 percent, and the commodities which are unmarketable constitute over 20 percent. While the purchasing power and savings deposits in urban and rural areas are rapidly increasing, the commodities are unsalable in the markets. Such an abnormal economic phenomenon can easily give people a false impression that there is an abundant supply of commodities in the markets. In fact, it is not. We must continue to vigorously develop commodity production. How should we enliven business under such a new situation? I had an interview with Minister of Commerce Liu Yi a few days ago.

Minister Liu Yi said: First of all, we should emancipate our minds and regard encouraging and appropriately stimulating consumption as the guiding principle of our commercial work. While state commerce plays the leading role, it should also regard collective and individual commerce as its assistants and actively support them. It is necessary to open up new consumption and service fields, supply markets with more new, exquisite, high quality, and cheap commodities, and provide more consumption services so as to expand business and promote production. It is necessary to attach particular importance to the development of rural markets. Second, under the principle of persisting mainly in the planned economy and necessary purchasing and assigning purchasing policies on agricultural and sideline products, we must widely open up new circulation channels. Wholesale and trading markets for agricultural and sideline products and warehouses should be widely set up in large and medium-sized cities so that the state commercial shops, the collective commerce, and the individual peddlers in cities can make transactions directly with the people engaged in transport and marketing businesses. Concerning the fresh and live commodities and special native products, it is necessary to directly link production with marketing and allocation with transport and marketing, to directly settle accounts, and to cut down the medium linkages so as to speed up circulation. Third, we must continue to practice various purchasing and marketing forms and various operation and management methods on industrial products, promote the readjustment and upgrading of the product mix, and vigorously develop marketable products. Fourth, we must implement the principle of basically stabilizing prices, particularly the prices of nonstaple foodstuffs.

DOMESTIC TRADE

YUNNAN TAKES STEPS TO DEVELOP COMMODITY ECONOMY

HK130611 Kunming YUNNAN RIBAO in Chinese 29 Mar 84 p 1

[Report: "Meeting of the Chiefs of Yunnan's Industrial and Commercial Administration Bureaus Puts Forward the Central Tasks of Promoting Commodity Production, Enlivening Circulation, and Making the Economy Flourish"]

[Text] The provincial meeting of the chiefs of local industrial and commercial administrative bureaus, which concluded on 25 March in Kunming, pointed out: At present, the central tasks for industrial and commercial administrative departments throughout the province are: On the basis of further emancipating people's minds, adopting flexible policies, improving management work, trying by every possible means to facilitate commodity circulation, striving to develop commodity production in a big way, and rendering the markets brisk and making the economy flourish. To fulfill the central tasks, major efforts should be made in the following three areas:

1. Continuing to develop fair trade in both rural and urban areas, and properly organizing and managing the transport and trading of agricultural and sideline products. Rural and urban fair trade constitutes an important supplementary channel of rural commodity circulation. In order to meet the needs in facilitating the entrance of large quantities of agricultural and sideline products into rural and urban markets, the authorities at and above the county level should set up wholesale trade markets for these products. In particular, such cities as Kunming, Kaiyuan, Qujing, Dali, Baoshan, Yuxi, Zhaotong, and Chuxiong should take effective measures this year to set up wholesale markets. All localities can also establish some specialized markets according to actual needs. It is necessary to reform and improve the 155 existing markets in the province, which have developed to a considerable size. Well-planned and orderly work should be undertaken to rebuild these open fair markets into permanent markets, either indoor or covered. Coverings should also be built on other ordinary fair markets, which should be equipped with more service facilities.
2. Further developing individual industrial and commercial ventures in urban and rural areas, and especially helping the development of specialized and key rural households engaged in industrial or commercial activities so as to promote the diversification of our economy. No other administrative departments are

allowed to suspend or revoke business licenses issued by industrial and commercial administrative departments to individual industrialists and traders. All special fees collected from individual traders should be subject to the unified management of industrial and commercial departments according to state regulations and the provincial government's stipulations. No other departments are allowed to impose unreasonable levies on them without authorization. It is necessary to simplify the procedures for issuing business licenses and to relax the restrictions on business. Traders should be allowed to deal in goods closely related to their primary businesses or to deal in local traditional goods. The difference between wholesale and retail prices should be set at a reasonable level. The issues concerning the delivery of goods and the coordinated supply of goods should be seriously solved. The starting point of taxes should be appropriately readjusted.

3. Supporting the development of collective enterprises in villages and in country towns. Industrial and commercial administrative departments should actively help rural enterprises and guide them to a healthy development course through their registration and management. Priority should be given to fodder processing industries, food processing industries, building material industries, small energy industries, and transport industries, which are urgently needed by society and which can develop rather rapidly. As far as other industries are concerned, so long as they do not go against relevant state regulations, do not consume raw materials vitally needed by state industries, do not cause damage to resources and cause environmental pollution, and so long as they can make use of local resources and have access to local markets, we should also give them active support. At the same time, these enterprises should be encouraged to market their own products and particularly to promote sales in other areas by organizing cooperative networks among themselves. They should be encouraged to trade in more farm produce and sideline products and to expand the range of their products within the limits provided for by state policies so that rural enterprises can fully play their positive role in the national economy.

In addition, the meeting also required industrial and commercial administrative departments at all levels to strengthen management over the implementation of various economic contracts, strictly handle business registration, properly supervise the use of trade marks and advertisements, and check speculative activities so as to do a better job in promoting production, facilitating circulation, and stimulating the economy.

CSO: 4006/473

DOMESTIC TRADE

BRIEFS

JILIN BUSINESS ACHIEVEMENTS--In the first quarter of this year, markets throughout Jilin Province enjoyed brisk buying and selling and succeeded in scoring simultaneous increases in commodity purchase and sales and in economic returns. They created an excellent situation in which the increase of economic returns surpassed that of commodity purchase and sales. The commercial, industrial, and communications enterprises across the province surpassed the purchase volume of commodities in the first quarter of 1983 by 14.5 percent; the net sales volume, by 11.8 percent; and the tax and profit volume, which were handed over to the state, by 4.6 times. [Excerpt] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 17 Apr 84 SK]

CSO: 4006/473

FOREIGN TRADE

JAPAN'S ABE, AUSTRALIA'S HAYDEN HOLD TALKS

OW171214 Beijing XINHUA in English 1131 GMT 17 Apr 84

[Text] Tokyo, 17 Apr (XINHUA)--The foreign ministers of Japan and Australia expressed concern over the "basically unchanged" Vietnamese policy toward Kampuchea during their talks held here yesterday.

Visiting Foreign Minister William Hayden, who is in Tokyo to attend the 40th session of the Economic and Social Commission for Asia and the Pacific, said that Vietnam's flexibility in comparison with the past is in form rather than in content, referring to Vietnamese Foreign Minister Nguyen Co Thach's recent visit to Australia. Japanese Foreign Minister Shintaro Abe said that Vietnam's recent dry season offensive against the coalition government of Democratic Kampuchea showed that its policy had undergone no basic change and that a solution to the Kampuchean issue will still take a long time.

They promised to give close attention to the situation there and to continue exchanging information.

Talking about the recent U.S.-Japanese farm produce negotiations, Hayden accused the United States of resolving its internal economic problems caused by high interest rates in the U.S. and appreciation of the U.S. dollar to the disadvantage of Japan and Australia.

He asked Japan to fully consider Australia's position and to increase Japanese imports of Australian beef.

Abe replied that "it is natural to have a 'problem' as Japan and Australia are working on improving their political, economic and cultural relations."

He assured his guest that Japan plans to settle the issue "in the spirit of compromise" and "from a global point of view."

CSO: 4000/322

FOREIGN TRADE

U.S. TRADE COUNCIL HEAD INTERVIEWED ON U.S.-PRC TRADE

OW141217 Beijing in English to North America 0000 GMT 14 Apr 84

[Text] The trade volume between China and the United States dropped last year. What about this year? What is the general picture of Sino-U.S. trade like? How will the U.S. relaxation of restrictions on the high-technology exports to China affect China-U.S. trade on the whole? Our correspondent in Washington, (Ma Ruiliu), discussed these questions, and others with (Christopher Phillips), president of the National Council for U.S.-China trade. Here is the interview:

[Begin recording] [Ma] What literal progress has been made since the U.S. Government announced the relaxation of restrictions on high-technology exports to China?

[Phillips] Well, I think already in the last quarter of 1983 there was indication that the number of licenses for the sale of high technology from the United States to China had increased substantially. I don't have the actual figures, but I know that Secretary of Commerce Baldrige had indicated there'd been a considerable pickup in the number of licenses approved for sale, and we expect that to continue throughout 1984. Indeed, the secretary of commerce has indicated that there might be as much as \$1 billion worth of high technology sold in 1984--that is to say, \$1 billion more than was sold during the previous year. So, we're encouraged that we're moving in the right direction.

[Ma] So, as a whole, what's the situation for U.S.-China, let's say, in 1984, because I understand trade between our two countries dropped a little last year. What do you expect of the trade this year?

[Phillips] It's very difficult to make a judgment as to precisely how much it will be, but it seems to me likely that our two-way trade this year could be in the vicinity of \$5.5 billion. That is due to two things: one, the increased sale of technology, which we feel sure will take place, and we hope and expect that China will purchase the full amount of grain that it is committed to purchase under the grain agreement and hopefully some additional amount to make up for the shortfall in the 1983 purchases. And I think of those two events, in fact, do occur that our trade will pick up substantially.

[Ma] Actually, how many firms or companies or corporations in the United States are doing business with China; can you give me a rough idea?

[Phillips] That's very hard, to give you any meaningful number. In the National Council, just the National Council membership, there are about 450 firms, but then probably at least double that number are engaged in some kind of business--exports, imports, investment. So, I would think that there must be 800 to 1,000 companies having some kind of business relationship.

[Ma] So, what are the main areas the U.S. firms are engaged in in Chinese trade relations?

[Phillips] Well, of course, there are two kinds of business relations that the United States and China are involved in. One is the traditional exports and imports. The United States, of course, sells a substantial amount of agricultural products, as I mentioned. An increasing volume of manufactured goods, high technology, services, such as engineering services. China sells to the United States raw materials, textiles, apparel, consumer goods of various kinds. But more importantly, I think is the kind of business activity represented by American oil companies helping China in the development of its offshore oil, other companies helping China to modernize and enlarge big coal mines, others perhaps helping China develop its hydropower, its telecommunications.

[Ma] What are the problems now in U.S.-China trade relations?

[Phillips] We have, over a period of 10 years, surmounted some difficult problems, political and economic, but I think we have now reached a point where the remaining problems are largely the kind of problems which can be resolved by good will and patience on both sides, the kinds of problems which typically occur among trading partners, the kinds of problems that frequently can be resolved through bilateral negotiations. For example, the United States and China are today trying to complete negotiations on a bilateral investment treaty, which we think is very important if American private investment is to be encouraged to move to China. We are looking forward to a nuclear cooperation agreement which would enable American companies to sell nuclear technology for the development of China's nuclear energy. [end recording]

CSO: 4020/110

FOREIGN TRADE

IMPORT-EXPORT RULES ISSUED FOR FOREIGN FIRMS

OW181320 Beijing XINHUA in English 1214 GMT 18 Apr 84

[Text] Beijing, 18 Apr (XINHUA)--The General Customs Administration of the People's Republic of China has issued regulations on import and export of articles by foreign resident offices in China and their staff.

The 12-article regulations, which will come into effect on May 1, covers import and export of all office equipment and personal effects imported or exported by resident offices and their staff in China. The regulations cover foreign organizations, including foreign enterprises and other economic organizations, trade organizations, news agencies and Chinese-foreign joint ventures in China.

According to the regulations, luggage brought in on first entry by personnel residing in China will be subject to rules applicable to short-term visitors.

Personal effects imported in reasonable amount shall be cleared duty-free. Household electrical appliances and other consumer durables are allowed in duty-free only in the limited amounts set by the customs. Duty will be levied on any in excess of the limit.

Staff of foreign resident offices, who need to import more articles for personal use after having obtained permanent residence permits, may file an application with the designated customs office. Such an application may be filed only once.

Motor vehicles including cars and motorcycles are allowed in upon payment of duty. Each person is allowed one motor vehicle only.

Articles taken out or brought in by foreign resident office staff who leave China temporarily must be declared and customs duty is exempt only on articles necessary for the journey.

Office equipment, vehicles and personal effects imported by foreign resident offices and their staff may not be sold in China without permission.

Articles deemed to be harmful to China politically, culturally, morally or hygienically shall be confiscated and disposed of by the customs.

The regulations also apply to resident offices and staff managed by overseas Chinese and compatriots from Hong Kong, Macao and Taiwan.

The regulations are not applicable in special economic zones.

CSO: 4020/110

FOREIGN TRADE

XIAMEN ECONOMIC ZONE ATTRACTS FOREIGN INVESTORS

OW121353 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 11 Apr 84

[Text] The confidence of foreign companies in making investments in the Xiamen Special Economic Zone has greatly increased after the decision to expand the zone to cover the whole of Xiamen Island was made public.

In the first quarter of this year, 9 formal contracts and agreements and 23 initial agreements, protocols and, memorandums were signed, more than 3 times the number signed in the same period last year.

Most foreign companies have come to the zone to negotiate and sign contracts this year and not, as was the case in the past, to merely pay a visit.

Many banks and large companies, especially those of Japan, the United States, and European countries, have sent personnel to visit, or have cabled or written letters to the zone to ask for information. The (Kogyo) Bank of Japan, soon after learning of the expansion of the zone, made contact with it and is planning to organize a large economic delegation for a visit. (Nobusuke Harada), director of the Guangzhou Office of Mitsui Bushan Company of Japan, wasted no time in visiting Xiamen to get ahold of the new situation and expressed the hope that business deals could be reached with Xiamen. Personnel of some large companies of the United States and European countries also visited Xiamen. Wang laboratories sent its personnel to the zone twice in a month. The former president of (Pierre) Company of Italy has paid his second visit to the zone. The zone is attracting more and more foreign investors.

CS0: 4006/476

FOREIGN TRADE

CHEN MUHUA URGES GUANGZHOU FAIR EFFICIENCY

OW110315 Beijing XINHUA in English 0256 GMT 11 Apr 84

[Text] Guangzhou, 11 Apr (XINHUA)--Higher work efficiency and better service will keynote the spring session of the Guangzhou export commodities fair to be held between April 15 and May 5, fair officials said here today.

They quoted Chen Muhua, state councillor and minister of foreign economic relations and trade, as having urged all trade delegations and working personnel at the fair to run the fair better than ever with a new style of work.

A new trade delegation handling Chinese and Western medicines and medical apparatus will be added to the coming fair, according to the officials.

There were originally 13 delegations representing national export and import corporations dealing in cereals, oils and foodstuffs, textiles, silks, native produce and animal by-products, light industrial products, arts and crafts, metals and minerals, chemicals, medicine, machinery and instruments.

The fair's preparatory group said that they have sent invitations to 16,418 firms and business representatives from 145 countries and regions. Forty percent of the invitees are from Hong Kong and Macao, the group said.

It is expected that more than 25,000 people will participate in the fair.

Everything is ready for the opening of the fair, the officials said.

The trade center has been spruced up for the occasion, with a new oval fountain built in the square in front of the tall building.

CSO: 4020/110

FOREIGN TRADE

CHEN MUHUA ON FOREIGN TRADE EXPANSION

OW131817 Beijing XINHUA in English 1448 GMT 13 Apr 84

[Text] Beijing, 13 Apr (XINHUA)--China will continue to expand its trade with more countries and regions in an effort to quadruple the total value of imports and exports by the end of this century, said state councillor and Minister of Foreign Economic Relations and Trade Chen Muhua.

"To achieve this goal, foreign funds will continue to be used, technology imported, international economic and technical cooperation improved. The open policy will be implemented unswervingly," she said in a report to senior officials here today.

The country has made big strides in its foreign trade since 1979, when the open policy was adopted, said the state councillor.

"Imports and exports were valued at 40.7 billion U.S. dollars last year, nearly double the 1978 figure," Chen Muhua said. China now ranks 18th in the world's exporters instead of the 32d as before. Heavy industrial products account for about 43 percent of the country's export commodities, textiles and light industrial goods 41 percent, and farm and sideline produce 16 percent.

Imported goods during the last five years were mainly equipment for making iron and steel, chemical fibers and fertilizers, grain and materials for agricultural use, she said.

Since 1979 apart from foreign loans and foreign funds raised by the central government, various departments and local authorities, direct investments from foreign firms have been utilized. Such investments are mainly in the forms of Chinese-foreign joint ventures, co-production projects, cooperative development projects and compensation trade deals.

Foreign funds have been used to build 41 major energy, transport and agricultural projects and educational establishments, as well as to develop offshore oil resources. By the end of 1983, China had signed offshore oil exploration contracts with 48 firms from 13 countries. Offshore geophysical survey in search of oil had been completed in an area covering 420,000 square kilometers.

Development of special economic zones has been speeded up and advanced foreign technology and managerial expertise have been introduced, she said.

The state councillor stressed the necessity to further develop foreign economic relations and trade. She said, laws and regulations dealing with this field will be formulated and improved. Information and research in world economy will be improved.

CSO: 4020/110

FOREIGN TRADE

TIANJIN MAYOR LI RUIHUAN ON EXTERNAL TRADE, CIVILIZATION

HK120738 Tianjin City Service in Mandarin 2330 GMT 5 Apr 84

[Text] In his government work report to the 2d session of the 10th municipal people's congress, Mayor Li Ruihuan spoke on taking still greater strides in opening up to the world. He said: Tianjin is an old coastal industrial base and a major northern port. We have many favorable conditions for opening up to the world.

1. We have a harbor with great development potential together with associated railways, highways and inland waterways. This harbor backs onto Beijing and Tianjin municipalities and the north China plain. There is plenty of land and relatively strong economy. There are very great potentials.
2. The Tianjin area has abundant natural resources in oil, gas, salt, coal, geothermal power and so on.
3. We have a relatively strong economic foundation and scientific research force, and have trained a number of talented people.
4. We have a coastline of 130 kilometers and 40 kilometers of the banks of the Hai He. The coastal areas have 300,000 mu of barren alkaline land and over 300,000 mu of sandy shore. This is a very rare advantageous condition for a large industrial city.

We must make full use of these favorable conditions, boldly explore new things, work hard, and create a new situation in external economic relations and trade.

Mayor Li Ruihuan said: We must resolutely shift our external trade onto the track of improving economic results. In accordance with the needs of the international market, the industrial departments must strive to improve product quality, increase variety, develop new products, increase output of products that sell well and bring in a lot of foreign exchange, vigorously cut production costs, and strengthen our international competitiveness. The foreign trade departments must closely study the international market, do a good job in feeding information to the industrial departments, and improve their skill in sales. They should further promote the processing of imported parts, materials, and samples for foreign customers, and also promote compensation trade and other flexible trade forms, and strive to export more things not covered by the plan.

We must strengthen technological import work. We must make a breakthrough in the use of foreign investment. We must speed the construction of infrastructure facilities that serve the effort to open up to the world, gradually formulate special local laws, and create an excellent investment environment.

Mayor Li Ruihuan spoke on pressing forward the construction of socialist spiritual civilization to a new stage. He said: In building socialist spiritual civilization this year, we must press things forward to a new stage of still greater awareness and still results, in connection with rectifying the party and opposing spiritual pollution.

Mayor Li said: In strengthening the building of spiritual civilization, we must integrate ideological and political education with all items of practical work, integrate spiritual civilization activities with party rectification, and integrate the building of civilization with construction in culture, in the environment, and in public welfare undertakings. We must integrate the universal drive to create civilized units with the drive to be a civilized person and do civilized things. We must integrate enriching the masses' spiritual life with resisting spiritual pollution.

Education is an important integral part of building socialist spiritual civilization, and is also a strategic focal point in socialist modernization. All trades and sectors must attach great importance to this and step up the development and training of talent. Thus Tianjin's education will develop as quickly as possible.

One of the important aims of building spiritual civilization is to spur a further turn for the better in social order and mood. In building spiritual civilization, we must grasp ideological education, turning old things into new, and also grasp social order, turning confusion into tranquillity. We must, therefore, continue to crack down hard on all economic and other criminal activities. At the same time, we must closely coordinate work in the political, economic, administrative, legal, educational, and social fields, and adopt a variety of methods to tackle the problems in a comprehensive way, from within the party to society and from the towns to the villages. We must step up the work of clarifying people's minds, carrying out mediation, taking precautions, and saving people. We must in particular step up education for youths and juveniles, to enable them to become useful talent in the four modernizations drive and a new socialist generation.

CSO: 4006/476

FOREIGN TRADE

BRIEFS

FOREIGN, DOMESTIC TRADEMARKS--Beijing, 11 Apr (XINHUA)--By the end of 1983, 90,618 trademarks were registered in China, Ren Zhonglin, director of the State Administration for Industry and Commerce, said here at the first national conference on trial of economic cases. Of these, Ren said, 15,436 were foreign. Japan had the most with 3,983, and the United States comes next with 3,619. Countries with more than 1,000 include Britain and Switzerland. Ren said that applications had increased since the trademark law came into force on August, 1982, protecting patent rights, and that trademark control also aimed at supervising product quality to protect the consumer. [Text] [OW110913 Beijing XINHUA in English 0748 GMT 11 Apr 84]

PRINTING, OFFICE EQUIPMENT EXHIBIT--Beijing, 19 Apr (XINHUA)--An exhibition of printing and office equipment from 13 countries and Hong Kong opened at the Beijing Agricultural Exhibition Center today. On display are 240 machines including copiers, automatic paper-cutters, automatic teleprinters, facsimile transmitters and receivers, offset, letterpress and other printing presses, microfilm cameras and cameras for photo-typesetting. They are the products of 34 firms. Twenty lectures will be given by foreign technicians and they will also visit Chinese printing houses. The exhibition is co-sponsored by the Beijing Exhibition Center for New Foreign Products and the Kalierd Trade Exhibitions Ltd. of Hong Kong. It will last eight days. [Text] [Beijing XINHUA in English 1312 GMT 19 Apr 84 OW]

JAPANESE INVESTMENT ENCOURAGED--Wakayama, 18 Apr (KYODO)--Liang Buting, governor of China's Shandong Province, Wednesday invited Japanese businesses to build and operate industrial facilities in Qingdao and other cities now open to foreign capital. "Those who are willing to invest in our province will be given favorable treatment such as reduced land prices and labor costs," Buting told a press conference. In addition to four special economic zones, the Chinese Government has designated 14 cities as areas open to inflow of foreign capital and technology. They include Qingdao, Dalian, Shanghai and Tianjin. Buting is in Wakayama to sign a sister affiliation agreement between Wakayama Prefecture and Shandong Province. [Text] [OW181225 Tokyo KYODO in English 1217 GMT 18 Apr 84]

DEVELOPING RESOURCES--Hefei, 18 Apr (XINHUA)--Chinese and foreign economic organizations and individuals are welcome to help develop Anhui Province's rich natural resources, Governor Wang Yuzhao said. Addressing the second session of the province's Sixth People's Congress which opened here yesterday, the governor said that all possible measures would be taken to open Anhui to other parts of China and foreign countries. International economic organizations, overseas firms and banks, overseas Chinese, and other provinces and municipalities in China will be invited to open mines, build factories and schools and develop shipping and tourism industries in Anhui, he told the session. "Cooperation may take the form of joint ventures, establishment of enterprises with exclusive foreign investment, compensation trade, co-production or processing with supplied materials," he added. Verified reserves of Anhui's coal, iron, copper and pyrite are among the largest in China. The province is also the country's major producer of grain, cotton, oil-bearing crops, hemp, tea and flue-cured tobacco. There are also 1.2 million hectares of barren hilly land suitable for tree cultivation and 533,000 hectares of water surface suitable for fish breeding, the governor said. [Text] [OW181732 Beijing XINHUA in English 1436 GMT 18 Apr 84]

HONG KONG-HEILONGJIANG JOINT VENTURES--Two joint ventures run by Heilongjiang Province and Hong Kong were established. One is the (Binggang) Information and Development Corporation, jointly invested by the Heilongjiang International Economic and Technical Cooperation Company and Mr. Fe Yimin, president of the Hong Kong's Ta Kung Pao. This corporation was established in Hong Kong on 6 April after being approved by the state. The purpose of the corporation is to make Hong Kong's favorable conditions for developing international economic and technical cooperation serve Heilongjiang's development of natural resources and its economic development. Mr Fei Yimin serves as president of the corporation, and Hou Jie, Heilongjiang deputy governor and president of the Heilongjiang International Economic and Technical Cooperation Company, serves as vice president. The other is the Heilongjiang International Economic and Technical Information Company which is jointly invested by the Heilongjiang Scientific and Technical Information Service Company and Hong Kong's (Wuqiang) Corporation and which was established in Harbin on 1 April after being approved by the state. The company is to provide information to relevant departments on new technology, equipment, products, and market demands. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 13 Apr 84]

CHINESE EXHIBIT IN CANADA--According to HEILONGJIANG RIBAO, at the Chinese Economic and Trade Exhibition which opened on 14 April in Edmonton, an industrial city in western Canada, our province's products have occupied a principal position. Among the products on display, there are 1,686 from our province. During the exhibition, representatives of the 10 foreign trade corporations and the one tourist corporation of our province will hold talks with figures of the Canadian commercial circle. The Chinese Heilongjiang Provincial Friendship Delegation led by Li Lian, which is visiting Canada, participated in the opening ceremony. [Text] [SK160401 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 15 Apr 84]

ZHUHAI FOREIGN INVESTMENT--Zhuhai City imported foreign investment for 117 projects in the first quarter of this year. The total amount of foreign investments was over \$198 million. The total amount of foreign investments in the first quarter of last year was only \$1.11 million. Of the 117 projects, some 80 percent were industrial projects. Hong Kong and Macao businessmen and U.S., Australian, Indonesian, Thai, and Japanese firms are interested in investing in the special economic zone. [Summary] [HK200832 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 15 Apr 84 HK]

GUANGZHOU SPRING TRADE FAIR--Guangzhou, 15 Apr (XINHUA)--The 1984 China spring export commodities fair opened at the foreign trade center here today. A total of 4,500 business people from 45 countries and regions attended the opening ceremony, more than the number attending the preceding one; there is particularly a marked increase in the number of business people from the United States, Japan, Thailand, Malaysia, Britain and Italy. The current fair has ample commodities supplies in more varieties and with improved quality, a fair official said. The trading groups began their trade talks right after the opening ceremony. More joint ventures attended the current fair than before. A trading group formed by 22 joint ventures by Chinese and foreign investment and the China Merchants Steam Navigation Company, Ltd., Shoukou office, participated in the trade talks. China now has nearly 200 joint ventures. Attending today's fair were also a Burmese trade delegation headed by Vice-Minister for Trade Kyaw Htoon, and a delegation from a state-run trade company of Malaysia. [Text] [OW151220 Beijing XINHUA in English 1206 GMT 15 Apr 84]

SHANGHAI HOTELS RENOVATED--Shanghai, 10 Apr (XINHUA)--Four first-class Shanghai hotels, all built scores of years ago, reopened earlier this month after renovation by Hong Kong firms. An official of the Jingjiang Hotel management corporation which is in charge of a dozen hotels said a loan of five million U.S. dollars from the Bank of China was spent on renovating the Jingjiang, Peace and Shanghai Hotels, which are the biggest in Shanghai, and on Jingan Hotel. The five successful bidders for the work were Atoztec Consultants, Ltd., Mau Sang Engineering Co. Ltd., Indar (H.K.) Engineering, Ltd., Luk's Interior Design, Ltd., and Studio d'Art Furnishers Decorators. Renovation included interior decoration, new bathroom facilities, sound proofing of windows and refurnishing 928 rooms. This is the first time hotels in Shanghai were renovated by Hong Kong firms and it proved to be very efficient, the official said. The corporation plans to make use of the next slack season between December and March to renovate a number of other tourist hotels in Shanghai and bidding will be open to foreign firms, he said. [Text] [OW101421 Beijing XINHUA in English 0748 GMT 10 Apr 84]

FRG-PRC BREWERY VENTURE--Shenzhen, 14 Apr (XINHUA)--Agreement on a joint brewery venture in the Shenzhen special economic zone has been signed between two Chinese companies and a company from the Federal Republic of Germany. A Beer Co. Ltd., the venture will be jointly built and run by the Paulaner-Salvator-Thomasbrau Company, the China Light Industry Engineering Consultancy Company of Beijing and the Shenzhen Food and Beverage Industry Company.

The first phase of construction, with an investment of 60 million yuan (about 30 million U.S. dollars), is designed to produce 30 million liters of beer a year. The second phase will expand production in accordance with the market. The joint venture will also consider production of mineral water and other soft drinks. Paulaner, which holds 50 percent of the shares, will provide equipment and technology while the Beijing company will do the planning and designing and the Shenzhen company will provide workers, managerial and technical personnel as well as 60,000 square meters of land. No less than 50 percent of the product will be sold abroad. [Text] [OW140910 Beijing XINHUA in English 0720 GMT 14 Apr 84]

SHANGHAI OVERSEAS TIES--Shanghai, 10 Apr (XINHUA)--The Shanghai Federation of Industry and Commerce will step by step promote exchanges and cooperation with trade and commercial firms in Hong Kong and some major foreign cities. Ting Chen, economist and vice-chairman of the Shanghai Federation of Industry and Commerce, said this at the 7th session of the federation which opened here this afternoon. He added that the federation would start to exchange information on market and technology, and give (?consult at on) and study fund creditability. Ting Chen said over the past four years his federation had signed 373 trade agreements with overseas firms. [Text] [OW101819 Beijing XINHUA in English 1620 GMT 10 Apr 84]

CSSR CONSUMER GOODS FAIR--Brno, 12 Apr (XINHUA)--Czechoslovak visitors warmly praised the Chinese consumer goods on display in an international hall for Chinese fair which opened here this morning. Participating in the 15th Brno international fair of consumer goods are 37 countries including China, the Soviet Union, Britain and France. Vice-premier of Czechoslovakia Rudolf Rohlicek attended its opening ceremony. China joined the Brno international fair after a seven-year suspension. Chinese goods on display include electronic products, textiles, handicrafts and foodstuff. [Text] [OW121138 Beijing XINHUA in English 1125 GMT 12 Apr 84]

CSO: 4020/112

TRANSPORTATION

BRIEFS

LIAONING RECONSTRUCTS DALIAN AIRPORT--The reconstruction project of (Zhouqizi) Airport in Liaoning Province's Dalian City started on 10 April. Upon completion, large passenger planes will be able to land at the airport. The airport will become a large international airport in northeast China. [Text]
[Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 12 Apr 84 SK]

CSO: 4006/480

GENERAL

PRC NEWSPAPER ON FIXED ASSET INVESTMENT TRENDS

HK190714 Beijing GUANGMING RIBAO in Chinese 8 Apr 84 p 3

[Article by Sun Jian [1327 0256]: "Trends of Fixed Asset Investments--A Brief Discussion"]

[Text] Technological revolution with a far-reaching influence beyond that of any other technological revolution in the past, is now being carried out throughout the world. As a particular economic sector, the reproduction of fixed assets involves all economic departments that will consequently be affected by this new technological revolution. In this way, the trend of fixed asset investment will produce a great impact on the reproduction of society as a whole. From this point of view, the successes and failures of macro economic decisions on fixed asset investment represents a major strategy that will affect the whole national economy. This article is intended to study the affect of the technological revolution on fixed asset investment from the point of view of the scale of investments.

The Trend That the Scale of Fixed Asset Investment Must be Expanded

Under the influence of the new technological revolution, the scale of fixed asset investment must be expanded.

First of all, viewed from the general nature of social reproduction, constant technological progress will eventually improve labor productive forces while the consumption of animate labor and inanimate labor per unit produced will also grow more quickly. Therefore, it is objectively demanded that preference must be given to increased production of the means of production. Lenin pointed out: "The whole meaning and significance of this law of the more rapid growth of the means of production lies in the one fact that the replacement of manual by machine labor (generally refers to the technical progress that accompanies machine industry) calls for the intense development of the production of coal and iron, those real 'means of production which are producing the means of production'." ("Collected Works of Lenin," Vol. 1, p 88.) That is to say, it is an objective law that the preferential growth of the means of production is followed by the expansion of reproduction under the conditions of technical progress. It is true that compared with the previous technological revolution, the new technological revolution has many of its own features, but it can in no way get rid of the abovementioned law.

In the final analysis, computers and robots are also machines. The only difference is that the technological revolution with steam engines as the core represented the replacement and the expansion of man's physical labor while the significance of the revolution in information processing with computers as the core is not confined in this aspect alone. What is more important is that this revolution represents a replacement and expansion of man's mental power and five sensory organs. Viewed from the point of the material contents of fixed asset investment, this revolution is purely providing labor materials to various national economic departments. Therefore, under the influence of the new technological revolution and following the preferential growth of the production of the means of production, modern mechanical equipment--the productive fixed assets, including factories and their equipment with computers as the core--will also grow in advance.

Second, nonproductive fixed asset investment and particularly investment in science and education must not only represent an important condition for improving the quality of science and culture of the whole nation, but they are also very important in stepping up the development of the economy. Statistics show that 5 to 20 percent of the economic growth of advanced countries was gained through technological progress in the early period of this century. However, in the 1970's, this figure increased to 50 to 70 percent. When science and technology have become productive forces, they will become a tremendous motive force for the economy while the development of the economy will further quicken the development of science and education. Therefore, the expansion of social production will naturally be followed by the constant expansion of investment in productive and nonproductive fixed assets. But this natural expansion only represents a trend; it does not mean that the expansion will increase every year. It only means a fluctuating curved line-type growth.

Third, on the one hand, scientific progress is shown in the improvement of the level of production technology and equipment and the growth of fixed assets. On the other hand, it is also shown in the growth of invisible loss. In particular, major breakthroughs and developments in science and technology will naturally be followed by big-scale renewal and expansion of fixed assets. According to statistics in 1980, more than half of the fixed assets of the enterprises with ownership by the whole people in China had been in use for more than 10 years, 42 percent had been in use for more than 15 years, and 33 percent had been in use for more than 20 years. This situation is coupled with outdated equipment and backward technology. Therefore, it is urgent that these fixed assets be reformed or eliminated. If this situation continues to develop, the new technological revolution will naturally cause more invisible losses and as a result, fixed asset investment will have to be increased drastically.

Finally, the specific conditions in China show that, on the one hand, sophisticated technical departments and new industrial departments in China are relatively backward, with their major technologies lagging behind advanced countries by 20 to 30 years. On the other hand, both China and advanced

countries are making progress. Therefore, China must spare no effort to catch up with these countries and enter into a new period of economic growth. In order to realize this, it is imperative to transcend the development stage of traditional industry. Historically, it is a general law for underdeveloped countries to catch up with and surpass the advanced world level through developing their economies and technologies in leaps. In addition, the pace of economic growth is closely related to the scale of investment in fixed assets. That is to say, rapid economic growth is often accompanied by large-scale investment in fixed assets. For example, 1950 to 1970 was a decisive period for the development of the Japanese economy. During this period, the Japanese economy grew rapidly. The investment in fixed assets increased from \$3 billion in 1951 to \$70 billion in 1970. Therefore, it is imperative for China during a certain period to fully make use of the opportunity of the new technological revolution, break with convention, and maintain considerable investment so as to speed up the development of the economy.

The Structure of the Scale of Investment in Fixed Assets Has Tended to Become Smaller

The so-called trend of smaller structure of investment in fixed assets means that the proportion of small items with intensive knowledge and technology has tended to grow and the position and role of such items are becoming more important. This situation is a result of three features of the technological revolution.

First, the trend of the development in data processing. As the revolution in communications will sooner or later break away from the limitation of space and time in collecting, handling, transferring, and using information, even small enterprises (small units and medium and small cities) will be able, like big enterprises (big units and big cities), to make use of the various sources of information. In modern society, those who grasp and flexibly use information as a source of strategy, will gain the upper hand.

Second, the trend in the development of knowledge. The nature of the new technological revolution is replacement and expansion of man's mental power. And in the final analysis, new labor skills and modern machinery and equipment are the result of man's mental power and knowledge. On the one hand, in order to develop knowledge, it is first necessary to popularize and improve the level of education so as to create conditions for small enterprises to attain and train talents. On the other hand, the interplay of the development of scientific and technological knowledge and of economic development has compelled scientific research organizations and institutes of higher learning to combine with enterprises to form "laboratory-type" or "research club-type" small enterprises that produce knowledge and technology intensive products.

Third, the trend of scattering. The trend of scattering, as opposed to concentration, of labor, machinery, and capital in the "era of machine industry." Concentration is first of all shown in the trend of the expansion of the scale of enterprises. As big enterprises have economic and technological advantages, they are generally in a position to achieve better

economic effect than medium and small enterprises. But such advantages will be eliminated by the launching of the technological revolution where by small and specialized enterprises can also be formed on the basis of advanced knowledge and technology. In addition, such enterprises require smaller investments and promise quicker returns and are adaptable to changes in the structure of expansion. Therefore, to a certain extent, small enterprises have more advantages than big enterprises. In the future, it is imperative to build small enterprises that are characterized by intensive knowledge and technology. For example, let us take the example of "Silicon Valley" in the United States. Enterprises with less than 200 workers made up three-fourths of the more than 2,000 enterprises in "silicon valley." Their production system has changed from producing several varieties of products in massive quantities to producing rich varieties of products in small quantities. This production system is more suitable for small enterprises. In addition, the trend of scattering means that the structure of cities tends to become smaller. The medium and small "information cities" that are integrating "production, education, and housing facilities" will become the main trend, and such cities are in a position to resolve a series of problems that are caused by excessively big cities. Of course, scattering and concentrating are relative. This scattering does not rule out certain concentrated or even excessively concentrated sectors and departments.

In short, the trend of scattered small structures, caused by technological revolution, objectively demands that the structure of investment in fixed assets must also be accordingly changed in the direction of small scale so as to form small knowledge and technology intensive projects, coupled with a multilayer structure of the simultaneous existence of big, medium, and small projects.

CSO: 4006/480

SYNCHROTRON FACILITY CONSTRUCTION PLANNED

OW201025 Taipei CNA in English 0934 GMT 20 Apr 84

[Text] Taipei, 20 Apr (CNA)--Construction of the Republic of China's first synchrotron radiation facility will be completed in five years starting fiscal 1985, Prof. Chang Ming-che, chairman of the National Science Council [NSC], said Thursday.

Testifying at the Legislative Yuan's Budget Committee, Prof. Chang said the 100-men facility, which will be located in the Hsinchu Science-based Industrial Park, will be the latest of its kind with multiple functions and full of development flexibility.

In the fiscal 1985 budget proposal for NSC, NT [New Taiwan] dollars 50 million (U.S. dollars 1.25 million) is allocated for preparatory work and training of personnel involved in the project, Chang said. An additional NT dollars 146,218,000 (U.S. dollars 3.66 million) is set aside for its implementation, he added.

The total NSC budget estimate for the coming fiscal year amounts to NT dollars 2,006,370,000 (U.S. dollars 50.2 million), an increase of NT dollars 577,477,000 (U.S. dollars 14.44 million) over the fiscal 1984 level.

Chang also disclosed that NSC is currently working on a 10-year science development program in which objectives will be set and required resources to be defined.

CSO: 4020/109

TAIWAN

BRIEFS

ELECTRONICS, ELECTRICAL EXPORTS GROWTH--Taipei, 17 Apr (CNA)--The Republic of China's export of electronics and electric products recorded exceptional growth in the first quarter of the year, 49 percent over the corresponding period last year for a total value of U.S. dollars 1.4 billion. The Industrial Development Bureau (IDB) noted that strong demand in the United States market for electronics and electric products is the prime reason for the export surge. According to customs statistics, exports of electric products from Taiwan in the first quarter rose by 52 percent over the same period in 1983, while electronics products advanced by 25.1 percent in the period and electric appliances and quartz watches by 68.6 percent and 8.8 percent, respectively. The IDB observed that if this trend continues, electronics and electric products will again surpass textile products as the nation's top export industry. [Text] [OW190043 Taipei CNA in English 0337 GMT 17 Apr 84 OW]

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